ANNUAL REPORT
2025

ANNUAL REPORT
FOR AVIDA FINANS AB
(PUBL) 556230-9004

AVIDA

2025 IN BRIEF

- Lending to the public amounted to SEK 10,326 million (12,284).
- Net interest income amounted to SEK 1,290 million (712).
- Credit losses amounted to SEK -682 million (-931).
- Operating profit amounted to SEK -152 million (-686).
- Credit loss ratio 6.0% (7.7%).
- The cost/income ratio was 0.57 (0.67).
- The Common Equity Tier 1 capital ratio was 16.6% (12.6%).

(Compared to January–December 2024)

Significant events during the year

1st Quarter

Avida announced a comprehensive cost-savings programme in February, and negotiations with affected staff and trade unions were initiated, was expected to be completed by the middle of the second quarter. The costs associated with the cost reduction were recognised in the second quarter. At the end of the quarter, a portfolio of non-performing loans of approximately SEK 438 million was divested, with a loss of SEK 20 million.

2nd Quarter

Avida divested a Norwegian non-performing portfolio amounting to SEK 181 million with a positive earnings effect of almost SEK 6 million. Avida continued during the quarter to review the credit provisions and adjusted the provisions for Steps 1 and 2, resulting in increased provisions. During the quarter, a provision was made for all steps amounting to SEK 100 million.

3rd Quarter

As of 5 August, the warrants issued in December 2024 had been fully exercised, which increased the share capital by approximately SEK 10 million and strengthened the balance sheet and capital position through the issuance of approximately 58 million new class B shares. At the Extraordinary General Meeting on 26 September, Johan Roos was elected as a board member and replaced Teresa Robson-Capps.

During the quarter, Avida turned the result from a loss to a profit.

4th Quarter

On 11 November, the Swedish Financial Supervisory Authority issued Avida a reprimand and decided on an administrative fine of SEK 20 million. The decision followed a routine investigation in 2024 of Avida's credit assessment process, in which a calculation error in the left-to-live-on calculation (the KALP calculation) in connection with applications for Consumer loans was identified. The error was discovered by Avida before the Swedish Financial Supervisory Authority's investigation and was corrected in 2024. The administrative fine was fully expensed during the quarter.

The year ended with a second consecutive profitable quarter for Avida.

AVIDA

TABLE OF CONTENTS

AVIDA

STATEMENT BY THE CEO

A CRUCIAL YEAR – AVIDA'S TRANSFORMATION LAYS THE FOUNDATION FOR THE FUTURE

2025 marks a clear turning point for Avida. After a period of extensive transformation, we have, during the year, laid the foundation for a more stable and profitable company – something that is clearly reflected in the financial performance and in the strong end to the year.

During the year, we carried out the transformation that began in 2024 with the goal of creating a more stable, efficient and profitable company.

The work has been based on three clear priorities: achieving financial break-even, completing the migration of the portfolio acquired from Santander, and building a stable platform for the future.
We can conclude that these goals have, in all material respects, been achieved by the end of the year.

The positive earnings trend established during the year ended with a strong fourth quarter and marks a clear turning point for Avida.

FINANCIAL STABILISATION AND CLEAR PERFORMANCE TREND

During the year, we have had a strong focus on cost control, efficiency improvements and improved profitability in the business.The results of this work are clearly visible in the financial performance.

Operating profit for the full year amounted to SEK -152 million, a clear improvement compared to SEK -686 million the previous year.

At the same time, profitability improved significantly during the year.
In the fourth quarter, operating profit amounted to SEK 39 million, compared to a loss of SEK 508 million in the corresponding period the previous year.

The efficiency of the business has also improved, with a C/I ratio that has decreased to 0.57 from 0.67 the previous year. Overall, the development shows that the structural changes implemented during the year have had a clear effect and laid the foundation for a more stable Avida.

COMPLETED INTEGRATION AND A MODERN PLATFORM

A key part of the transformation has been the integration of the Credit Card and Sales Financing business acquired from Santander.
The work involved a comprehensive technical and operational migration to Avida's own systems and platforms.

This migration was completed in autumn 2025, which means that the entire business is now run on our own systems. This is an important milestone that gives us better control over the customer relationship, greater flexibility in product development and improved opportunities to further develop our offers in Credit Cards and Sales Financing.

The acquisition also added around 500,000 new private customers, thereby creating a broader and more scalable foundation for our Business to Consumer business.

STRONGER BALANCE SHEET AND IMPROVED CREDIT QUALITY

During the year, we have also prioritised strengthening the balance sheet and improving the credit quality of the portfolio. The credit loss ratio decreased to 6.0 % from 7.7 % the previous year, while credit losses were reduced to SEK -682 million compared to SEK -931 million the previous year.

At the same time the capital position has strengthened and at the end of the year, the Common Equity Tier 1 ratio amounted to 16.6 %, compared to 12.6 % the previous year. This gives Avida a stable financial basis and good conditions for further development of the business.

During the year, the composition of the portfolio has also changed. With the integration of the Credit Card portfolio, the proportion of consumer credit has increased and the relationship between the private and corporate business thus looks different from before. Overall, this means a more balanced credit portfolio and a more diversified risk profile.

NEXT PHASE – FOCUS ON INCREASED PROFITABILITY

With 2025 successfully behind us, we can look back on a stabilised and profitable platform that provides a solid foundation for the future. As we move into 2026, we are taking the next step in the transformation, with a focus on profitability.

Compared to a year ago, we have a broader product mix, which creates opportunities to further develop the business. In Business to Consumer Credit Cards, the focus will be on actively working with existing credit card customers and beginning the sale of new cards. In Business to Consumer loans, we will continue to prioritise new lending with good credit quality. In Business to Business, we see clear growth opportunities.

With the support of our owner, KKR, we continue to develop Avida with a long-term perspective and a clear focus on increased profitability.

The transformation carried out starting in autumn 2024 has laid the foundation for a stronger Avida. With the platform we now have in place, we are confident about the company's continued development.

I would like to extend a big thank you to our employees, customers and owners for the commitment and support that made this transformation possible.

Stockholm, April 27 2026

Mikael Johansson
CEO

MULTI-YEAR REVIEW

INCOME STATEMENT

SEK million	2025	2024	2023	2022	2021
Net interest income	1,290	712	864	832	761
Total operating income	1,242	747	902	861	776
Total operating expenses	-711	-501	-370	-345	-293
Credit losses, net	-682	-931	-513	-432	-403
Profit or loss before tax	-152	-686	19	85	81
Net profit or loss for the period	-153	-685	14	63	60

BALANCE SHEET

SEK million	31 Dec 2025	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021
Lending to the public	10,326	12,284	10,516	12,373	11,073
Deposits from the public	10,080	10,945	10,930	13,928	11,893
Equity	1,560	1,730	1,587	1,400	1,357
Total assets	13,325	16,383	12,956	15,711	13,676

KEY RATIOS

SEK million	2025	2024	2023	2022	2021
Net interest margin (%)	11.4%	7.3%	7.6%	7.1%	7.2%
C/I ratio	0.57	0.67	0.41	0.40	0.38
Return on equity (%)	NEG	NEG	0.95%	4.59%	4.48%
Return on assets (%)	NEG	NEG	0.11%	0.40%	0.44%
CET1 ratio (%)	16.6%	12.6%	13.1%	10.7%	10.7%
Loss ratio (%)	6.0%	7.7%	4.5%	3.7%	3.8%
Average number of full time employees	170	162	146	135	127

For more information on key ratios, see Definitions.

MANAGEMENT REPORT

The Board of Directors and CEO of Avida Finans AB (publ), Corporate identity number 556230-9004, hereby submit the annual report for the financial year 01/01/2025 – 31/12/2025.

The stated amounts in the text below are in SEK million unless otherwise stated. Amounts in brackets in narrative text refer to the same period last year.

BUSINESS CONCEPT AND STRATEGY

Avida Finans AB (publ) is a credit market company that has since 1983 focused on offering loans to private individuals and companies. Avida's ambition is to be the complementary first choice for companies and private individuals looking for loans and financing for their large or small challenges.

INFORMATION ABOUT THE BUSINESS

The business consists of financing services to companies and lending to consumers and deposits from the public. During the year, Avida carried out the migration of the Credit Card and Sales Financing portfolios acquired from Santander, comprising approximately 500,000 customers. The migration was completed at the end of September, and since October 1, operations have been conducted on systems administered by Avida.

The migration has worked without any major disruptions beyond what would normally be expected. In connection with the migration, an updated version of Avida's app was launched.

The app has been among the most downloaded apps this autumn in Sweden. Avida has provided Credit Cards and Sales Financing during the period from January to September via a transitional service agreement (TSA) with Santander.

During this TSA period, due to technical obstacles, Avida was unable to actively process and assist credit card customers with changes to credit limits and other card-related matters. This restriction has affected the Credit Card portfolio volume during 2025. In terms of revenue, the outcome has been in line with what we forecast for 2025.

The cost-savings programme announced in February of approximately SEK 200 million costs on an annual basis, has been implemented, and the savings began to take effect from the third quarter onwards. A total of 76 employees and consultants have left the company as part of the programme.

The work to improve credit quality in consumer loans has continued with high ambition and resulted in well-developed risk matrices, instructions and assessments. Furthermore, updated models for credit provisioning based on IFRS 9 have been implemented for both consumer loans and credit cards during the second half of 2025.

The focus during the year has been on strengthening the balance sheet. This has mainly been achieved through increased provisioning levels, primarily within Consumer Loans, lower underlying credit risk in lending to the public through the acquisition of the Credit Card portfolios from Santander, and the issuance of new Consumer Loans with a significantly lower risk profile than previous years. In addition, impairment of intangible assets of approximately SEK 34 million has also taken place. On December 31, Consumer Loans account for 46.5% of total lending to the public compared with 54.2% in 2024.

During 2025, Avida has divested approximately SEK 647 million, NOK 191 million and EUR 40 million in non-performing loans.

The divestments have in total generated a loss of approximately SEK 2 million for the year as a whole and, for the second half of the year, a profit of SEK 13 million.

The overall credit provision rate at the end of December 2025 is 11.6% compared to 10.8% in December 2024.

During the year, impairment of intangible assets was reported at approximately 34 million was recognised on intangible assets relating to systems and development that were not deemed to correspond to their carrying amount.

Overall, the new issuance of consumer loans during the year has continued to be restrictive, especially for Sweden, which we consider to have a slightly increased risk.

During the second half of the year, the new issuance of consumer loans has increased in EUR and NOK. Increases in NOK and EUR have not been able to fully offset the decrease in the Swedish consumer loan portfolio, with the result that the total consumer loan portfolio continued to decline in 2025.

Avida has had a strong capital and liquidity position throughout the year, with levels clearly above regulatory requirements, including internal buffers.

Bransches

Avida Finans AB (publ) filial i Finland is a credit market company.

	2025	2024
Revenue	260	358
Average number of employees	9	12
Profit before tax	164	143
Tax on profit	-	-

Avida Finans AB (publ) NUF is a credit market company.

	2025	2024
Revenue	59	118
Average number of employees	40	19
Profit before tax	-35	-6
Tax on profit	-1	-1

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The cost-savings programme initiated in February of SEK 200 million was completed by the end of the third quarter of the year. During September, all Credit Card and Sales Financing customers were migrated from Santander's system to systems administered by Avida. In total, approximately 500,000 customers were migrated. In connection with this migration, the service agreement (TSA) that Avida signed with Santander at the acquisition was terminated.

In the month of June Avida applied for a banking license.

Avida signed an agreement with SONA regarding SRT (significant risk transfer) based on an initial consumer loan portfolio of approx.
SEK 2,800 million with a maturity of approximately 15 years on 14 August and which closed on 13 September.

The agreement provides Avida with a predetermined credit loss protection and the effect on REA as of the end of September was a reduction of approx. SEK 1,800 million.

On 11 November, the Swedish Financial Supervisory Authority issued a reprimand and a fine amounting to SEK 20 million regarding inadequate credit assessments. The decision comes after the routine investigation of Avida's credit assessment process that the Swedish Financial Supervisory Authority initiated in August 2024.

According to authority's assessment, Avida generally has a solid credit assessment process, but there was a calculation error in the KALP calculation (Left- to-live on calculation) for a few customers for a limited time. The error was discovered by Avida before the Swedish Financial Supervisory Authority's investigation and was corrected in 2024. The administrative fine was charged to the fourth quarter of 2025.

The warrants issued at the Extraordinary General Meeting on 16 December 2024, which gave the right to subscribe for new shares in the company during the period from the date of registration with the Swedish Companies Registration Office of the issue decision up to and including 31 December 2030, have been fully exercised as of 5 August and increase the company's share capital by SEK 10,467,816.71 in the form of Class B shares. The total number of shares has increased from 80,658,696 shares to 138,375,914 shares.

Johan Roos has replaced Teresa Robson-Capps as a board member and chair of the Audit, Risk and Compliance Committee in connection with a decision from the Extraordinary General Meeting on 26 September.

Management has been strengthened since the first quarter of 2025 with the appointment of Martin Ahlberg (Chief Credit Officer) and Christina Örn (Head of Business-to-Consumer).

In 2025, the factoring business saw a historically high inflow of new credit limits, spread relatively evenly throughout the year, and in the second half of 2025 the amount financed increased significantly, particularly in the fourth quarter. Factoring is entering 2026 with a record limit volume.

In accordance with the NPE strategy, Avida has sold approximately SEK 647 million, NOK 190 million and EUR 40 million in non-performing loans in 2025. The divestments have in total generated a loss of approx. SEK 2 million for the year as a whole and for the second half of the year a profit of SEK 13 million. In general, prices for NPE have increased during the year, mainly during the second half of 2025.

FINANCING COSTS

The discussion on trade tariffs initiated by the US administration had a relatively large effect on the macroeconomic situation in the first half of 2025, before recovering in the second half of 2025. Interest rates have generally fallen based on the central banks' reduction in policy interest rates during the first three quarters of 2025, with some exception for Norway.

Policy interest rates in SEK and EUR have developed relatively in parallel, while Norway continues to have a significantly higher nominal interest rate.

Inflation in all three countries where Avida operates has stabilised, and improved economic performance can be seen. As far as Sweden is concerned, Avida has continued a restrictive approach to new lending.

In addition to borrowing from the public, Avida has supplemented its borrowing with credit facilities from Santander Corporate Investment Banking.

These facilities affect the liquidity metrics in an effective manner, mainly NSFR. Following the Swedish Financial Supervisory Authority's legal position on digital deposit platforms, Avida's NSFR ratios are well above 120%, which is well above both regulatory and internal requirements.

Avida is currently experiencing no problems in financing its operations.

BUSINESS AREA CORPORATE - BUSINESS TO BUSINESS

The factoring business has performed positively in 2025, mainly in the second half of 2025 and especially in the fourth quarter. During the year, the business has had a historically high inflow of new customers. The utilisation rate was slightly lower than the average for previous years, but from the third quarter onwards the financing rate increased significantly.

Interest income for Business to Business in 2025 amounted to SEK 261 million (SEK 317 million), a decrease of SEK 56 million.

Interest expenses during the year decreased significantly and amounted to SEK 35 million compared to SEK 106 million the previous year, a decrease of SEK 70 million. Net interest income for the full year improved by SEK 14 million. This improvement occurred in the second half of the year. Corporate lending has continued to decline based on the decision from 2023 to reduce exposure in this risk class. The volume of business loans is currently mainly attributable to revolving credit.

Credit losses improved during the year and amounted to SEK 22 million compared to SEK 46 million in 2024, with a credit loss ratio of 1.0% (2.2%).

Operating expenses have decreased by SEK 30 million as a result of the cost-savings programme. Profit for the Business to Business segment amounted to SEK 77 million before tax (20). Lending to the public have increased by SEK 409 million, with a margin of 9.8% (10.1%). The segment is entering 2026 with historically high new sales from 2025.

BUSINESS AREA CONSUMER - BUSINESS TO CONSUMER

The Business to Consumer segment is in its first year of operation, including the acquired Credit Card and Sales Finance portfolios. The Credit Card and Sales Financing business has been administered by Santander under a TSA (Transitional Service Agreement) during the period January to September. During this period, Avida was unable to actively process customers in terms of new sales or credit limit increases, etc. As of 1 October, all customers have been migrated to systems administered by Avida.

Interest income has increased sharply and amounted to SEK 1,472 million compared with SEK 857 million in 2024. Of the net interest income, SEK 206 million constituted an accrual of the credit card and sales financing portfolios acquired in 2024. In 2026, the accrual will be significantly lower.

Interest expenses increased from SEK 357 million to SEK 406 million, with net interest income amounting to SEK 1,066 million (501). Net commission income has been adversely affected by costs attributable to the period after the migration of credit card and sales financing from Santander to systems administered by Avida. The effect on net commission income is SEK -67 million. The costs are mostly one-off.

Credit losses have decreased compared with 2024, and amounted to SEK 660 million (SEK 885 million); the credit loss ratio amounted to 7.3% (8.7%). The majority of the credit losses occurred in the first half of 2025, while credit losses for consumer loans decreased significantly in the second half of 2025.

Credit losses for Credit Cards and Sales Financing have been negatively affected by Avida's newly implemented IFRS9 model regarding credit loss provisions. The outcome for credit losses during 2025 does not represent the underlying level of credit losses, as a large part of the credit losses relates to one-time effects arising in connection with the new model.

Costs for the segment have increased to SEK 593 million (SEK 352 million). The increase relates to costs related to the acquired Credit Card and Sales Finance portfolios, including costs for the TSA and other migration costs. The cost outcome in 2025 has, as in Business to Business, been positively affected by the cost-savings programme, mainly in the second half of the year.

The SEK 20 million fine issued by the Swedish Financial Supervisory Authority has been fully expensed in the segment.

The result for 2025 amounted to a loss of SEK -229 million (SEK -706 million).

Lending to the public decreased to SEK 7,824 million (SEK 10,191 million). The decrease is primarily attributable to Consumer loans, which continued to contract as new lending remained restrained throughout the year, although volumes increased towards the end of the second half of the year – mainly in NOK and EUR – as well as the divestment of non-performing loans.

Avida remains restrained in new lending in the Swedish market. Credit cards have declined slightly, mainly because it was not possible to process customers in terms of new sales or credit limit increases during the TSA period.

Sales financing has grown during the year, and the Black Week period specifically meant increased volumes compared to previous periods. The net interest margin has increased to 11.4% compared to 7.3% in 2024.

DEPOSITS FROM THE PUBLIC

Deposits from the public have decreased during the year based on the portfolio reduction but were offset to some extent by the amortisation of the credit facility taken out in connection with the completion of the acquisition of the Credit Card and Sales Finance portfolios from Santander.

During the year, the company has actively worked to ensure a competitive deposit offer and to ensure effective financing for the business. Deposits are and will continue to be an important source of funding for the company.

Deposits are made through the Company's own platforms for NOK and SEK and through the European deposit platform administered by Raisin for EUR.

REVENUE

Interest income amounted to SEK 1,733 million compared to SEK 1,175 million; the increase consists of the acquired Credit Card and Sales Finance portfolios, while the interest income from consumer loans decreased compared to 2024. Business to Business has seen a slight increase in interest income during the year. Of the increase in interest income, SEK 206 million constitutes an accrual related to the acquisition of the Credit Card and Sales Financing portfolios. Interest expenses have decreased to SEK 442 million (SEK 463 million). The decrease is due to a lower interest rate situation in all currencies and was offset by the financing of the acquired Credit Card and Sales Finance portfolios. Avida has actively worked to offer attractive deposit conditions in tandem with obtaining an effective financing cost.

Net interest income for 2025 amounted to SEK 1,290 million (SEK 712 million) with a net interest margin of 11.4% (5.9%). The increase in the interest margin is mainly attributable to credit cards and sales financing included in the Business to Consumer segment.

Net commission income amounted to SEK -48 million, a reduction compared with 2024 of SEK 69 million. The reduction in net commission income is entirely related to the Credit Cards and Sales Financing.

Net profit/loss of financial transactions has decreased by SEK 12 million and is mainly related to currency fluctuations between SEK/EUR/NOK.

Other income of SEK 3 million relates to compensation from Santander relating to the acquisition of Credit Cards and Sales Financing.

COST

General administration expenses amounted to SEK 665 million, an increase of SEK 202 million. This increase is largely attributable to the Credit Card and Sales Financing business, for migration as well as costs for the cost-saving programme. The fine issued by the Swedish Financial Supervisory Authority (SEK 20 million) has been fully charged to the business during the fourth quarter.

The cost-savings programme announced in February has had full effect from the fourth quarter. Depreciation and impairments of tangible and intangible fixed assets have increased to SEK 46 million, of which approximately SEK 34 million relates to an impairment of systems no longer considered to reflect their economic value.

CREDIT LOSSES

Net credit losses amounted to SEK 682 million, a decrease of SEK 249 million. The decrease mainly relates to consumer loans and, to some extent, Business to Business. During the year, a major focus has been on reducing the number of customers transferred to debt collection.

During the second half of 2025, the volume transferred to collections has decreased significantly resulting in lower credit provisions. The sharp decline in credit losses within Consumer Loans has been partly offset by the implementation of a new credit provisioning model (IFRS9) for Credit Cards and Sales Financing. A new IFRS9 model has also been implemented for Consumer Loans.

In total, credit losses amounted to 6.0% (7.7%).

During the year, non-performing portfolios have been divested at a total loss of SEK 2.0 million. In the second half of 2025, the profit on divested portfolios amounted to SEK 13 million. In total, SEK 647 million, NOK 191 million and EUR 40 million have been divested. Prices for non-performing portfolios have increased in the second half of 2025. As of the end of 2025, the total reserve ratios have increased to 11.6% (10.8%).

During August, the company signed an agreement with SONA regarding significant risk transfer. The initial portfolio amounted to approximately SEK 2,800 million in consumer loans originated in SEK, NOK and EUR. The agreement provides significant credit loss protection for unanticipated credit losses during the agreement period.

RESULT

During 2025, Avida has focused on creating a profitable business with costs and credit losses in line with revenue.

The first half of the year was characterised by costs attributable to the cost-savings programme and provisions for expected credit losses. During the second half of the year, Avida has been profitable on a monthly basis from August except for November, due to the fine of SEK 20 million issued by the Swedish Financial Supervisory Authority.

Profit for the full year amounted to SEK -153 million after tax compared to the 2024 outcome of SEK -685 million, an improvement of SEK 532 million.

For the second half of the year, profit amounted to SEK 43 million.

LIQUIDITY AND CAPITAL

As of the end of 2025, Avida Finans AB (publ) had a total capital base of SEK 1,751 million (SEK 1,948 million), of which Common Equity Tier 1 capital amounted to SEK 1,301 million (1,498 million).

The total capital ratio as at 31 December 2025, defined as total capital base divided by total risk exposure, amounted to 22.3% (16.4%). This means that Avida comfortably meets the requirements for capital ratios including buffers; see note 27 for detailed information.

Deposits from the public at the year-end amounted to SEK 10,080 million (SEK 10,945 million), a decrease of SEK 865 million. Deposits have not decreased in line with lending to the public, as amortisation of the credit facility for the acquisition of the Credit Cards and Sales Finance portfolios took place during the year amounting to SEK 2,311 million. Available liquidity consists mainly of deposits with central banks, mortgageable government bonds and lending to credit institutions, and amounted to SEK 2,763 million (SEK 3,862 million) at December 31, 2025.

The business is financed through deposits from the public, credit facilities in NOK and SEK with a maturity of two years plus a one-year extension option, subordinated loan of SEK 250 million, Tier 1 capital instruments of SEK 200 million and equity.

STAFF AND MANAGEMENT

Avida's business model is based on central intangible resources that create value for customers and owners. In order for these resources to be maintained, Avida continuously invests in skills development, leadership, succession planning, and employee engagement. The average number of employees in the company during the year amounted to 170 (162). The cost-savings programme has meant that 76 positions, including both employees and consultants, were reduced during the year. During the year, changes to the company's management team were implemented: Christina Örn took up the position of Head of Business to Consumer, Tor Briseid took up the role of Chief Compliance Officer in November and succeeded Marie Demselius, who left her position in July.

SUSTAINABILITY

Avida's business model is focused on providing competitive financing services for both private individuals and companies in Sweden, Norway and Finland. To ensure long-term sustainability for these financing services, Avida integrates sustainability aspects into the company's business strategy and takes continuous measures to minimise negative impact on the environment, people and society.

By promoting responsible credit lending and prioritising sustainable business principles, Avida aims to contribute to long-term and sustainable growth. This means that the company not only considers the daily financial health of its customers but also takes into account long-term sustainability consequences in all relationships and decisions. In its sustainability work, Avida ensures that the company always meets the binding requirements that our stakeholders place on the business, as well as all laws, regulations and other relevant regulations.

MATERIAL RISKS AND UNCERTAINTIES

Avida is exposed to a number of different risks through its operations. Avida's largests risk is credit risk as a result of its business model, which involves lending to the public and to companies. Lending also gives rise to liquidity risk, interest rate risk, currency risk and operational risk. Avida's risk management is designed through the company's risk policy with associated policies and instructions and through a number of processes. Policies and instructions set the framework and boundaries within which Avida can conduct its business through, for example, limits. The processes are designed to manage day-to-day risks in an efficient manner, thereby effectively limiting negative consequences on the company's financial performance.

RISK MANAGEMENT

Avida's risk framework includes processes for identifying, assessing, analysing, managing and reporting the risks inherent in the business. The framework includes the establishment of applicable limits and systems of controls and other mitigating measures to ensure that risks are consistently kept within the risk appetite determined by the Board. The risk framework, including the risk policy, risk appetite and risk management system, is reviewed regularly to ensure that it is relevant to the business model and the latest business plan. Within the company, there is a function for risk control that is led by the Chief Risk Officer, who is directly subordinate to the CEO and Board, whose task is to compile, analyse and report all the company's risks.

OWNERSHIP STRUCTURE

Since 2020, Avida Finans AB (publ) has been owned by KKR, which has the controlling influence of Avida Finans AB (publ). The shares in Avida Finans AB (publ) are otherwise owned both by private individuals and institutions.

The table below shows the largest shareholders as of 31 December 2025.

Owner	Number of Shares (A+B)	Share capital, %
KKR *(Eckern Finans Holding AB and FSK Eckern Finans Holding AB)*	105 444 204	76,2
Andenes Investment S.L.	14 675 140	10,6
Midelfart Capital AS	9 265 568	6,7
Other	8 991 002	6,5

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

Lisbeth Alinentalo (Chief Risk Officer) has left her position as of January. Tor Briseid (Chief Compliance Officer) has been appointed temporary Chief Risk Officer while new recruitment is underway.

The Swedish Financial Supervisory Authority is currently conducting a Supervisory Review and Evaluation Process (SREP). Avida is still awaiting the final decision of the Pillar 2 guidance, with a potential outcome within the range of 0.0-5.0 %.

Avida has replaced Grant Thornton Sweden as internal auditor with EY Sweden as of 1 January 2026.

Otherwise, no events of a material nature that deviate from the company's normal operations have occurred since the end of December. The attack initiated by the US and Israel against Iran, which began at the end of February with an impact on both oil prices and stock exchanges, has as of now not directly affected Avida or Avida's customers. However, continued uncertainty is never good for financial stability and, based on how long this conflict lasts, with a direct impact on different asset classes and a negative impact on our and our customers' overheads, this may have a negative impact on Avida and our customers.

Avida monitors developments on an ongoing basis and is prepared to act if necessary.

FUTURE DEVELOPMENT

The business has shown a positive trend in terms of profitability during 2025, with the second half of the year proving profitable.
The focus in 2025 has been to ensure the foundations for a profitable business going forward.

A strong contributor to the increased profitability comes from the acquired Credit Card and Sales Financing portfolios, the implemented cost-savings programme that will reduce ongoing costs by over SEK 200 million per year, as well as efforts to reduce credit risk in lending to the public and subsequent credit loss development.

Business to Business has had a historically large inflow of new factoring limits, which in the second half of 2025 materialised in rising revenues, with stable margins. Corporate lending has continued to decline during the year with the aim of offering financing in the form of revolving credit facilities as a complement to cash flow from the factoring product.

Ahead of 2026, the company will start offering real estate financing. The goal is to create a material portfolio over time. The company expects that financed volume in factoring will continue to increase during the year, affected by seasonal fluctuations, with a stable margin.

Credit losses for Business to Business in 2025 amounted to 1.0% (2.2%). Credit loss expectations are on a par with historical outcome – however, volatility is significantly greater in business lending than for private lending, as the business side is more affected by the performance of individual engagements.

Business to Consumer has improved significantly from a profitability perspective, partly due to the acquired Credit Card and Sales Financing portfolios, and partly due to significantly reduced credit losses primarily in consumer loans, with a credit loss ratio of 7.3% for the full year and a credit loss ratio of 3.8% for the second half of the year. During the year, the company migrated all acquired Credit Card and Sales Financing customers to systems administered by Avida, approximately 500,000 customers/account.

The costs during the year in Business to Consumer have been negatively affected by work on the migration, where the external costs amount to SEK 115 million.

Portfolio development has been negative during 2025 mainly because Avida was unable to actively process the customer base with, among other things, new sales of new cards, limit updates, etc. In connection with the transfer to systems administered by Avida, the company is now able to actively process the customer base. Credit Cards and Sales Financing will be an important driver of continued profitability development.

Credit losses during the year have been stable and in line with the expected outcome. Consumer loans' financial performance has improved significantly in 2025, while efforts to reach break-even continue.

The company has continued to divest non-performing portfolios and, in total, SEK 647 million, NOK 191 million and EUR 40 million were divested in 2025, with an accumulated loss of SEK -2 million (in the second half of 2025, SEK 647 million was divested with a positive outcome of SEK 13 million).

The issuance of consumer loans has continued to be restrictive, particularly in Sweden, while the issuance of consumer loans in NOK and EUR had a higher volume in the second half than in the first half of 2025.

Portfolio performance in Consumer loans has continued to be negative; however, the decrease has slowed in the second half of 2025. Efforts to reduce credit losses, in the form of increased resources and activities to reduce the number of customers transferred to debt collection, have continued and had an effect during the second half of 2025, when credit losses were significantly reduced. Going forward, profitability and stable credit quality will take priority over volume growth. The focus in 2026 is to create the platform for a profitable business prepared for future balanced growth.

Lending to both private individuals and businesses must be carried out with the customer in focus, based on cost-conscious and results-oriented operations.

For Avida, continued automation of the company's processes is essential, while at the same time being careful that development is in step with the changing needs of the customers. This applies to both the private and corporate markets, where the focus is on being able to offer the right products and services in all of the company's markets. As of the end of the third quarter of 2025, the company has migrated the Credit Card and Sales Financing portfolios to systems administered by Avida. This provides the basis for continuing to offer customers a good customer experience.

The completed cost-savings programme has laid the foundation for a cost-effective Avida, with a focus on continuing to streamline operational costs.

The geopolitical situation, with the US and Israel's war of aggression against Iran, while Russia's war of aggression in Ukraine has entered its fifth year and the ongoing conflict in Gaza, makes the macroeconomic situation still difficult to assess.

The policy rates cut by central banks in 2025 have contributed to lower market rates and falling inflation rates.

Avida aims to adjust deposit rates based on central banks' changes to their policy rates, taking into account the need to maintain a competitive offer in the deposit market. The financial outlook in the Nordic countries, with relatively high unemployment and an uncertain external environment, is considered to remain challenging, mainly in Sweden.

Avida remains humble in the face of the challenging macro environment and the company will continue to focus on improving credit quality and profitability through a clearer focus on cost reduction measures and reducing credit losses.

The Board of Directors of Avida considers that the company fulfils the going concern requierment, supported by available liquidity and a capital position, including buffers, sufficient to manage unforeseen events.

PROPOSED ALLOCATION OF PROFITS

According to the balance sheet presented to the Annual General Meeting

	SEK
Other contributed capital	200,000,000
Retained earnings	1,459 ,175,838
Net profit/loss	-153,141,481
Total available profits	**1,506,034,358**
The Board of Directors proposes that the available profit and unrestricted funds be allocated as follows:	
To be carried forward	**1,506,034,358**

CORPORATE GOVERNANCE REPORT

Avida Finans AB (publ) ("Avida") Avida has prepared this report in accordance with the Annual Accounts Act (1995:1554).

ABOUT AVIDA

Avida carries out financing activities and is subject to the supervision of the Swedish Financial Supervisory Authority.Avida complies with a number of laws and regulations for good corporate governance and control of operations, such as the Companies Act (2005:551), the Annual Accounts Act (1995:1554), Nasdaq Stockholm's Regulations for Issuers, the Act (2004:297) on Banking and Financing Activities and the International Financial Reporting Standards.

In addition, Avida is required to comply with a number of regulations and general guidelines issued by the Swedish Financial Supervisory Authority and other regulators, such as the European Banking Authority (EBA).

Avida has issued tradable securities that are admitted for trading on Nasdaq Stockholm.

In accordance with the basic rules on the governance and organisation of a limited company, Avida is governed by the general meeting, the Board elected by the shareholders at the general meeting including the Board's Audit, Risk and Compliance Committee (ARC), the Board's Remuneration Committee as well as the Board's Credit Committee, the CEO appointed by the Board and the Board's control of Avida's management.

The auditor appointed by the general meeting submits an audit report of his audit of the company's Annual Report and Consolidated Financial Statements, the appropriation of the profit and the Board's and the CEO's management of the company and its operations.

1. SHAREHOLDINGS, VOTES AND BOARD APPOINTMENT

At the end of 2025, Avida had about 45 shareholders according to the shareholder register held by Euroclear Sweden. Avida's largest shareholder is Kohlberg Kravis & Roberts (KKR) through Eckern Finans Holding AB and FSK Eckern Finans Holding AB, which jointly own slightly more than 76% of the share capital and just over 66% of the votes. Andenes Investments S.L, Avida's third largest shareholder, holds slightly more than 10% of the share capital and approximately 15% of the votes. The five largest shareholders accounted for just under 98% of the share capital and just over 95% of the votes.

1.1 Limitations on how many votes each shareholder may cast at the general meeting.

The share capital consists of two classes of shares, Class A and Class B. Shares of Class A carry one (1) vote per share and shares of Class B carry one tenth (1/10) vote per share.

1.2 Provisions of the Articles of Association on the appointment and dismissal of Board members and changes to the Articles of Association.

There are no provisions in the Articles of Association governing the appointment or dismissal of Board members, with the exception of a provision on the minimum and maximum number of Board members. The notice convening an extraordinary general meeting where a matter of amendment of the Articles of Association will be discussed will be issued no earlier than six weeks and no later than four weeks before the meeting.

The current Articles of Association of Avida were adopted at the extraordinary general meeting on 30 December 2024. Shares in Avida may be issued in two classes, Class A and Class B. Shares of Class A carry one (1) vote per share and shares of Class B carry one tenth (1/10) vote per share. The number of shares of each type may not exceed the total number of shares in the company. The number of shares in the company shall be at least 60,000,000 and at most 240,000,000.

On 16 December 2024, the Board of Directors resolved to allocate 4,000,000 warrants in total, of which 2,000,000 were allocated to Midelfart Capital AS and 2,000,000 were allocated to Andenes Investments S.L. All warrants were exercised in 2025.

2. INTERNAL CONTROL AND RISK MANAGEMENT

Assessment and recommendations of control functions govern the evolution of risk management. Avida has established independent control functions for risk management and regulatory compliance in accordance with the Swedish Financial Supervisory Authority's Regulations and General Guidelines regarding governance, risk management and control in credit institutions (FFFS 2014:1) and the European Banking Authority's guidelines on internal governance (EBA/GL/2021/05). The functions report directly to the Board, the Board's ARC and the CEO. Avida's internal audit team is appointed by, and is directly subordinate to the Board through ARC. The internal audit has been outsourced to an external party for the purpose of ensuring quality and independence in assessment and review. The internal audit was carried out by Grant Thornton Sweden during the period. Internal control is built around the six cornerstones of internal control presented below: control environment, risk management, control activities, information and communication, follow-up and assessment and statement regarding internal audit. To ensure the proper functioning of internal governance, risk management and control, Avida has established a governance framework consisting of organisation, internal rules and processes. The goal of internal governance is to have an effective control system for the business and the risks it is exposed to. The framework therefore includes requirements for the company's ability to identify, measure and assess, prioritise and implement controls and other measures, as well as report and monitor financial and non-financial risks. Strategic, operational or tactical decisions must always take into account the consequences of external and internal rules and risks.

The following principles provide guidance to ensure these requirements:

- The organisation should be appropriate with clearly defined and documented areas of responsibility;
- Interest and awareness of rules and risks in the organisation should be encouraged on a regular basis;
- Avida should have clear and documented decision-making processes;
- Avida should have clear and documented reporting channels; and
- Avida shall have policies adopted by the Board and certain overall instructions for how the business shall be conducted.

Examples of policies and instructions include the Board's rules of procedure, the CEO mandate, Policy for the Risk Management Function and for the Compliance Function, and Policy for the Internal Audit Function.

Governing documents are assessed on an ongoing basis, but at least annually, and are updated when necessary due to new or changed regulations and/or internal changes in the business. The Board has the ultimate responsibility for ensuring that Avida has an effective control environment. To manage risks satisfactorily, it is important that there be a well-established and clear internal governance and control structure in the organisation.

To achieve a strong control environment, Avida therefore applies the so-called three lines of defence principle, where the different lines of defence have different responsibilities but a common responsibility for achieving the necessary internal governance and control. In this regard, the entire Avida organisation is involved. The three lines of defence principle is described below alongside the organisational division of responsibilities.

2. 1 FIRST LINE OF DEFENCE

The first line of defence consists of all Avida's operations and all its employees except those belonging to the control functions (second and third lines of defence).

The first line of defence is led by the CEO and consists of the business and support functions. The first line of defence thus consists of the operations and operational support and must therefore manage daily risks that arise and at the same time comply with both internal and external regulations.

2.2 SECOND LINE OF DEFENCE

This is where the risk control and compliance functions are located.
The compliance function is to provide support to the Board, the CEO and the operational activities in order to ensure the company's compliance with the authorisation requirements.
The independence of the functions is ensured by the fact that the functions themselves do not carry out the activities that they are to review, which means that the functions are not involved in business operations. The second line of defence is responsible for the supervision and control of the first line of defence based on internal and external regulations. The functions follow up, analyse and report their work to the Board and CEO. The second line of defence also supports the first line of defence in terms of internal governance, risk management and control and works proactively to create an effective control environment in Avida.

Avida's Data Protection Officer ("DPO") function and CISO are also included in the second line of defence.

2.3 THIRD LINE OF DEFENCE

The third line of defence consists of the Internal Audit function, which is a function independent of both the first and second lines of defence. The internal audit is responsible for, among other things, reviewing the work carried out by the first and second lines of defence and reporting directly to the Board. All control functions shall have the resources required to be able to perform their tasks and be independent. In order for internal control functions to be considered independent, the following conditions should be met: The personnel in the control functions never perform operational tasks in the context of the activities that the internal control functions are intended to monitor and control.

The control functions are organisationally separate from the activities they are responsible for monitoring and controlling; Apart from the Board and the overall responsibility of the CEO, the managers of the Risk Management Function, the Compliance Function and the Internal Audit Function are not subordinate to any person responsible for managing activities that these functions monitor and control.

The remuneration to the personnel in the internal control functions is not linked to the performance of the activities that these control functions monitor and control. Nor may their objectivity and independence be jeopardised in any other way. The work of the control functions is regulated in internal governance documents, which are established by the Board. Each control function prepares a draft annual control plan which is presented to ARC and subsequently approved by the Board. The control functions' personnel are continuously trained to keep their knowledge up-to-date, and that the control functions have appropriate IT systems and support at their disposal. The control functions report on material weaknesses and risks identified to the Board and the CEO on an ongoing and regular basis, at least quarterly. For the purpose of ensuring adequate risk management and compliance with laws, regulations and internal governance documents, Avida's risk management and internal control environment focus on assessment, controls and training programmes.

Avida applies available techniques and methods of risk management. Risk management is an integral part of our business operations. The reports include, in particular, assessments of the business with respect to risk management and regulatory compliance and include the entire organisation. The company's information and communication channels are continuously monitored by the management team and the Board to ensure that they are appropriate. The role of the internal audit is regulated in the policy for the internal audit function, and the work of the function is based on a risk-based audit plan, which is approved annually by the Board. The plan is based on a risk analysis carried out by Internal Audit. The work of internal audit includes, in particular, reviewing and assessing whether systems, internal control mechanisms and procedures are appropriate and efficient, and to provide recommendations to Avida based on the comments made in the review and following up on previously submitted recommendations.

The results will be reported to the Board and CEO at least once a year.

3. INTERNAL CONTROL AND RISK MANAGEMNET SYSTEMS REGARDING FINANCIAL REPORTING

Internal control of financial reporting is a process by which it is ensured that established principles for internal control and financial reporting are complied with and that the company's financial reporting has been prepared in accordance with the law, regulations, applicable accounting standards and good accounting practices, as well as other requirements for companies whose tradable securities are admitted to trading on a regulated market.

3.1 CONTROL ENVIRONMENT FOR THE FINANCIAL REPORTING

The control environment, including a clear and transparent organisational structure, clear division of authority and responsibility and governing documents such as internal policies, instructions and manuals, is fundamental to Avida's internal control of financial reporting. This also includes the ethical guidelines that are communicated to all employees and are a basic precondition for a good control environment.

A further part of the control environment consists of risk assessment, i.e. the identification and management of the risks that could affect financial reporting as well as the control activities aimed at preventing, detecting and correcting errors and deviations.

3.2 CONTROL ACTIVITIES

Various control activities are built into the process of financial reporting. The control activities include both general and detailed checks intended to prevent, detect and correct errors, deviations and any irregularities that may have a significant impact on financial reporting. The control activities are prepared and documented at a reasonable level relative to the risk of errors and the effect of such errors. Each department manager is primarily responsible for managing the risks associated with their own department's operations and financial reporting processes.

Furthermore, a high level of IT security is a precondition for good internal control of financial reporting. Therefore, there are rules and guidelines to ensure the availability, accuracy, confidentiality and traceability of information in the business systems.

3.3 INFORMATION AND COMMUNICATION

The company has information and communication channels that aim to promote completeness and accuracy in the financial reporting.

Avida's Financial Policy is a governing document with the purpose of clarifying how financial operations should be conducted and how financial risks should be managed. The policy also includes the responsibility for both internal and external financial reporting and the relationship with the external auditor. The policy, together with relevant process descriptions and manuals, has been made available and known to affected staff on the Avida intranet and shared discs on the internal network.

With ongoing information, dialogue, training programmes and controls, staff are able to access and understand the internal regulations. The internal regulations with policies, instructions and manuals, supplemented with procedure and process descriptions, constitute the most important tool for providing information to ensure financial reporting.

The external communication aims to provide a true and fair picture of Avida, and this is stated in the Information Policy.

3.4 DIVERSITY AND INCLUSION

Avida has not currently adopted a separate diversity policy.
Issues regarding diversity, equal treatment and non-discrimination are addressed within the framework of the company's work environment initiatives. The work covers the entire organisation, including the composition of the Board, and aims to ensure an inclusive and respectful work environment as well as an appropriate mix of competencies and experience.

A more detailed description of how the work is carried out during the financial year can be found in the sustainability report.

For further information, please refer to the Sustainability Report section.

3.5 THE BOARD'S MEASURES TO MONITOR THE INTERNAL CONTROL OF FINANCIAL REPORTING

The Board's measures to monitor internal control of financial reporting are implemented through the Board's ongoing tracking of the company's finances and results, key ratios, costs, capital and liquidity situation in relation to budget and forecast, as well as through the Board's review and tracking of the external and internal auditors' review reports. The Board receives monthly financial reports and at each Board meeting the company's financial situation is discussed.
The Board also reviews the quarterly financial reporting and annual accounts before the material is officially published and reviews the comments and conclusions of the external and internal auditors.
Avida further compiles and reports ongoing financial and operational figures and analyses to heads of function, management and the Board.

The company works actively with continuous monitoring of the operating income as well as costs and credit losses in relation to the budget and forecast. The work is performed in close collaboration with the management team. The Board receives ongoing reports from the external audit. The reports include, among other things, evaluations of the business with regard to the financial reporting.

The external auditor is appointed once a year by the general meeting and works independently of the business, reporting his observations directly to the Board on the financial reporting and its reliability.

SUSTAINABILITY REPORT

Avida's ambition is to conduct a long-term sustainable business in which responsibility is an integral part of its business model. This sustainability report therefore focuses on the areas where Avida has the greatest impact and responsibility, and where the company also has the ability to monitor targets and performance over time. The report forms part of the Management Report in the Annual Report.

AVIDA AND SUSTAINABILITY - COMPARISON WITH 2024

In 2024, sustainability efforts were largely focused on ensuring structures, governance documents and risk assessments in line with regulatory requirements. In 2025, the focus is increasingly on consolidating the work, following up on established goals and integrating sustainability issues even more clearly into ongoing operational management. Avida's sustainability work continues to be based on responsible lending to private individuals and companies, a healthy corporate culture and responsible employership, high regulatory compliance and systematic work against financial crime, and a conscious management of the company's limited environmental impact.

KEY RATIOS – OBJECTIVES AND OUTCOMES

Sustainability work is followed up through a limited number of relevant key ratios (KPIs) that are deemed appropriate for the business and sufficient to enable follow-up over time. Within each focus area, a selection of key sustainability-related ratios is summarised, which are followed up within the framework of operational management. The purpose of the report is to clarify continuity, measurability and progress in relation to previous years.

Avida's direct environmental impact was identified as limited and mainly linked to energy use, IT operations, business travel and purchasing.

In 2024, environmental work was followed up through internal indicators rather than external climate targets.

2025 Target:

- A maximum of one trip per month per employee as a baseline.
- In addition, total travel measured as distance travelled per employee should decrease by 10% per year compared to 2024.
- Reduce energy use and maximise sustainable energy use in our operations

Results and follow-up:

In 2025, Avida continues to monitor environmental impact through internal key figures. During the year, the number of business trips decreased compared to the previous year, mainly through increased use of digital meetings. Digital management of customer and credit processes continues to exceed 95 %. Environmental indicators are monitored within the framework of operational management.

ENVIRONMENTAL IMPACT

Result 2025:

Travels with climate impact	2025	2024	2023
Number of employees	170	162	146
Number of travellers	61	63	47
Distance traveled by air (Thousands of kilometers)	198.6	237.4	210.0
Carbon dioxide emissions CO2e (tons)	49.2	62.3	56.2
Distance traveled by train (thousands of kilometers)	8.6	9.2	8.8
Carbon dioxide emissions CO2e (tons)	0.1	0.1	0.1
Total distance traveled (thousands of km)	207.2	246.6	218.8
Distance traveled per employee (thousands of km)	**1.29 (-15%)**	**1.52**	**1.50**

**Revised figures for 2023 (there is a difference with the figures reported in Avida's Annual Report for 2023)*

Energy consumption and emissions	2025	2024	2023	2022	Change compared to 2024, %
District heating, consumption (kWh)	22 455	32 249	37 907	29,265	-30.4*
District cooling, consumption (kWh)	23 982	31 589	20 810	28,446	-24.1*
Electricity, consumption (kWh)	123 233	122 832	122,975	112,526	0.3
Total energy consumption (kWh)	**169 670**	**186 670**	**181 692**	**170,237**	**-9.1**
Consumption per square meter of office space (kWh)	132.3	145.6	141.7	114.8	-9.1
District heating, CO2e emissions (tons)	1.29	1.65	1.70	1.24	-21.8

Energy consumption and CO2e emissions below refer to Avida's Stockholm office (area 1,282 sq.m). Other offices currently lack separate energy and consumption data reports as this is not provided by the local property owners.

**) Both heating and cooling are reported as Avida's share of the property's total purchased heat based on office space. In 2025, the property consumed significantly less energy in total than in the previous year, and the property owner works continuously to optimise operations in its properties by, among other things, employing its own technical operations staff.*

CORPORATE CULTURE AND EMPLOYEES

In 2025, the organisation was characterised by changes in management and structure, as a major cost-savings programme was implemented, including a workforce reduction of approximately 30%.
The number of employees at the end of the year was 161.
The focus was on ensuring continuity, compliance with labour law requirements and a functioning work environment despite organisational changes.

2025 Target:

- Maintain a balanced gender distribution within the organisation.
- Keep staff turnover below 20%.
- Achieve employee satisfaction as measured by eNPS of >25 (scale -100-+100).

Results and follow-up:
During 2025, personnel-related key figures are continuously monitored. Work environment issues and staff turnover are regularly reported to management and the board.

DIVERSITY AND INCLUSION

Avida works with diversity and inclusion from a broad perspective that covers the entire organisation. The goal is to ensure an inclusive and respectful work environment where all employees are given equal opportunities, regardless of gender, age, ethnicity, religion, disability or other background.

The company currently has no separate diversity policy, but these issues are addressed within the framework of work environment management, in accordance with the company's work environment manual. The work includes active measures in areas such as the work environment, recruitment, skills development and pay issues, as well as a clear policy against discrimination, harassment and victimisation.

During the financial year, the work has been carried out through ongoing follow-up in the organisation, including through employee appraisals, employee surveys and working environment inspections. The aim is to identify risks, promote equal rights and opportunities and ensure a safe and inclusive working environment.

In 2025, the company has not set specific targets or key figures linked to the diversity work, and therefore no quantitative follow-up of results has been reported. The work to further develop structure, goals and follow-up in the area is ongoing.

Gender distribution %	**2025**		**2024**		**Change % compared to 2024**	
	Men	**Women**	**Men**	**Women**	**Men**	**Women**
Board	83	17	67	33	+24	-48
Senior Executive Team	71	29	70	30	+1	-3
Managers	59	41	63	37	-6	+11
Total	**55**	**45**	**53**	**47**	**+4**	**-4**

KPI's	**2025**	**2024**	**2023**	**2022**
Total number of employees	161	162	146	137
Staff turnover % (Long-term target max 20 %)	38.0	28.7	17.0	20.9
Sickness absence %, total. (Long-term target maximum 3 %)	2.84	2.64	1.26	1.75
Sickness absence (long-term) %, total (Long-term target maximum 2 %)	0.91	1.27	1.20	2.05
eNPS, average (Long-term target minimum 25)	-31	-22	3	14

Comment on 2025 results: We can conclude that staff turnover continues to be well above the target and that employee satisfaction measured in eNPS is well below our long-term target. The reason is that 2025 has meant major changes for Avida, as during the year we implemented a transformation of the entire company that, among other things, meant cost savings and a reduction of 30% of the workforce.

RESPONSIBLE LENDING

Responsible lending is a central part of Avida's business model and sustainability work. Lending shall be based on the customer's repayment capacity and in line with the company's risk appetite, with the aim of building long-term sustainable customer relationships. Working methods and risk assessments differ in part between private individuals and businesses, but in all cases follow established credit policies and processes. Credit quality, payment behaviour and credit losses are continuously monitored and reported to management and the Board.

LENDING TO PRIVATE INDIVIDUALS

In 2024, credit processes for private customers were strengthened, including through increased use of account information or equivalent data, as well as a Remaining to Live On Calculation (KALP), PSD2 data/Open Banking, and a more in-depth analysis of the customer's total debt, income and ability to pay. The focus was on countering over-indebtedness in a continued challenging personal financial situation. n lending to private individuals, particular emphasis is placed on countering over-indebtedness.

In 2025, all new consumer credit was preceded by documented credit checks in accordance with applicable regulations and internal guidelines. the Avida register for gifts; this case was deemed to be within the internal rules at Avida.

Target: The long-term target that Avida has set is that 100% of all gifts given or received will be reported in accordance with the applicable procedure and that no regulatory violations will materialise.

LENDING TO BUSINESSES

Lending to businesses is characterised by selectivity, caution and a long-term view of customer relationships, in order to achieve a sustainable risk-adjusted return over time. The credit assessments were based on analysis of the business model, cash flows, ownership structure, and industry and counterparty risks. Exposures and credit quality are continuously monitored and reported to the Board and management. In 2025, all corporate credits were preceded by a documented credit assessment.
2025 Target:

- Ensure that 100 % of new loan and credit applications are preceded by documented credit checks in accordance with the established risk framework.
- Maintain a conservative credit risk appetite in line with the Board's decision.
- Continue to reduce the proportion of high-risk exposures in new lending and thereby reduce potential credit losses.

Results and follow-up:
In 2025, all new credit to private individuals was preceded by credit checks in accordance with established processes. The use of PSD2 data/Open Banking has been consistent in new lending in the main markets. Credit quality and credit losses are continuously monitored and reported to the Board and management. The transformation of Avida's business that took place during the year resulted in significantly reduced credit losses.

The corporate credit and loans approved in 2025 have, in all new cases, been preceded by a credit assessment in accordance with processes established by Avida.

PREVENTION AND DETECTION OF CORRUPTION BRIBERY, MONEY LAUNDERING AND FINANCING OF TERRORISM

During 2025, Avida continued structured work against financial crime through clear policies, independent control functions and regular training efforts. All relevant functions were covered by the AML and CTF framework.

2025 Target:

- Ensure that 100% of relevant employees complete annual training in AML, CTF and anti-corruption.
- Maintain full compliance with customer due diligence requirements when establishing new customers.
- Conduct regular risk assessments and internal follow-up.

Results and follow-up:
In 2025, the vast majority, 73%, of employees completed mandatory training. A year of major changes and high staff turnover had consequences for the reported total figure. The coming year will mean a more stable business with higher commitment and participation among employees.
Customer due diligence checks have been carried out in accordance with applicable regulations and internal instructions.

The control functions have followed up the work and reported to management and the Board in accordance with established reporting procedures.

SUMMARY ASSESSMENT

The Board believes that Avida's sustainability work during 2025 is conducted in accordance with the nature, scope and risk profile of the business, as well as the applicable requirements in the Annual Accounts Act.
Compared to 2024, reporting has been simplified in scope, but follow-up, internal governance and control of sustainability-related issues remain unchanged.

The Board further believes that the reported key figures provide a true and fair view of Avida's sustainability work and enable structured follow-up without reporting being more extensive than is proportionate based on applicable regulations.

INCOME STATEMENT

SEK million	Note	2025	2024
Interest income		1,733	1,175
Interest expenses		-442	-463
Net interest income	5	**1,290**	**712**
Comission income		107	21
Comisson costs		-155	-
Net commission income	**6**	**-48**	**21**
Net result from financial transactions	7	-3	9
Other operating income		3	4
Total operating income		**1,242**	**747**
General administrative expenses	8, 9	-665	-463
Depreciation and amortisation of tangible and intangible assets	14,15	-46	-39
Total expenses before credit losses		**-711**	**-501**
Profit/loss before credit losses		**531**	**245**
Credit losses, net	10	-682	-931
Operating profit/loss		**-152**	**-686**
Profit/loss before tax		**-152**	**-686**
Tax on profit or loss for the period	11	-2	1
Profit or loss for the period		**-153**	**-685**

STATEMENT OF COMPREHENSIVE INCOME

SEK million	Note	2025	2024
Profit or loss for the period		**-153**	**-685**
Currency rate differences when translating foreign operations		7	1
Sum of items that may be subsequently reclassified to the income statement		**7**	**1**
Total profit or loss for the period		**-146**	**684**

STATEMENT OF FINANCIAL POSITION

SEK million	Note	31 Dec 2025	31 Dec 2024
ASSETS			
Cash and balances with central banks	12	76	80
Treasury bills eligible for repayment	13	1,312	1,092
Lending to credit institutions	12	1,375	2,690
Lending to the public	14	10,326	12,284
Derivatives		7	-
Intangible assets	15	52	97
Tangible assets	16	4	5
Current tax asset	11	37	36
Other assets	18	97	83
Prepaid expenses and accrued income	19	37	18
TOTAL ASSETS		**13,325**	**16,383**
LIABILITIES AND EQUITY			
Lending from credit institutions		915	3,226
Deposits from the public	20	10,080	10,945
Derivatives		-	3
Other liabilities	21	173	127
Accrued expenses and prepaid income	22	90	104
Current tax liability		1	-
Other provisions	23	254	2
Subordinated debt	24	250	245
TOTAL LIABILITIES		**11,765**	**14,653**
EQUITY	**25**		
Share capital		25	15
Other contributed capital		1,985	1,120
Additional tier 1 capital		200	200
Other reserves		24	46
Retained earnings		-521	1,034
Profit for the year		-153	-685
TOTAL EQUITY		**1,560**	**1,730**
TOTAL LIABILITIES AND EQUITY		**13,325**	**16,383**

STATEMENT OF CHANGES IN EQUITY

SEK million	Restricted equity				Unrestricted equity					
	Share capital	Statutory reserve	Development expenditure fund	Additional Tier 1 capital	Pre-mium reserve	Other con-trib-uted capital	Trans-lation reserve	Retained earnings	Profit for the year	Total
Opening balance 1 Jan 2025	**15**	**2**	**65**	**200**	**1,119**	**866**	**-11**	**160**	**-685**	**1,730**
Transfer of previous year's net profit/loss								-685	685	
Profit/loss for the year									-153	-153
Other comprehensive income							7			7
Total comprehensive income							7		-153	**-146**
Reclassification within equity			-38					38		
New share issue, net of transaction costs	10									10
Correction previous year								-3		-3
Paid dividend on AT1 capital instruments								-31		-31
Closing balance 31 Dec 2025	**25**	**2**	**27**	**200**	**1,119**	**866**	**-5**	**-521**	**-153**	**1,560**

SEK million	Restricted equity				Unrestricted equity					
	Share capital	Statutory reserve	Development expenditure fund	Addition-al Tier 1 capital	Premium reserve	Other con-tributed capital	Trans-lation reserve	Retained earnings	Profit for the year	Total
Opening balance 1 Jan 2024	**15**	**2**	**56**	**199**	**1,119**		**-12**	**193**	**14**	**1,587**
Transfer of previous year's net profit/loss								14	-14	
Profit/loss for the year									-685	-685
Other comprehensive income							1			1
Total comprehensive income							1		-685	**-684**
Transfer between restricted and non-restricted equity			9					-9		
Payment for warrants						866				866
Redemption of AT1 capital instruments				-200						-200
Issuance of AT1 capital instruments				200						200
Correction previous year				1				-1		
Transaction costs on Additional Tier 1 capital								-6		-6
Paid dividend on AT1 capital instruments								-33		-33
Closing balance 31 Dec 2024	**15**	**2**	**65**	**200**	**1,119**	**866**	**-11**	**160**	**-685**	**1,730**

CASH FLOW STATEMENT

SEK million	2025	2024
Operating activities		
Operating profit/loss	-153	-686
of which interest income received	1,634	1,551
of which interest expenses paid	-555	-521
of which recovered credit losses	3	-2
Adjustment for items not included in cash flow		
Depreciation and amortisation of tangible and intangible assets	46	41
Provisions for credit losses	685	933
Unrealized exchange rate loss	68	44
Unrealized exchange rate gain	-46	-42
Other non-cash items	32	4
Income tax paid	-1	-37
Cash flow from operating activities before changes in operating assets and liabilities	**631**	**258**
Increase (-)/decrease (+) in lending to the public	1,272	-2,699
Increase (-)/decrease (+) in other assets	-34	199
Increase (+)/decrease (-) in deposits from the public	-865	15
Increase (+)/decrease (-) in other liabilities	278	41
Cash flow from operating activities	**1,282**	**-2,186**
Investing activities		
Investments in bonds and other securities	-3,654	-770
Disposals of bonds and other securities	3,408	518
Acquisition of tangible assets	1	-2
Acquisition of intangible assets	-	-79
Cash flow from investing activities	**-245**	**-332**
Financing activities		
New share issue	10	-
Settlement for warrants	-	866
Debt financing	-2,311	3,226
Debt securities issued AT1	-	200
Repurchase and repayment of debt securities issued AT1	-	-200
Paid dividend on Additional Tier 1 capital instruments	-31	-25
Cash flow from financing activities	**2,332**	**4,067**
Cash and cash equivalents at beginning of the period	**2,770**	**1,214**
Cash flow for the period	-1,295	1,549
Exchange rate difference in cash and cash equivalents	-25	7
Cash and cash equivalents at end of the period 1)	**1,450**	**2,770**
1) CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT		
Cash and balances with central banks	76	80
Lending to credit institutions	1,375	2,690
Total cash and cash equivalents in the cash flow statement	**1,450**	**2,770**

NOTES

The amounts indicated in the text below are in SEK million unless otherwise stated. Amounts in brackets in narrative text refer to the same period last year.

NOTE 1 GENERAL INFORMATION

Avida Finans AB (publ), organisation number 556230-9004 has been licensed by the Swedish Financial Supervisory Authority as a credit market company since 2000. Avida conducts business in deposits and lending to private individuals and companies in Sweden and through branches in Norway and Finland: Avida Finans AB NUF, org. no. 990 728 488 and Avida Finans AB (publ), Finnish Branch, org. no. 2541768-9. The Parent Company has its registered office in Stockholm, Sweden. Head office address is Magnus Ladulåsgatan 65, Stockholm. Company operations are described in more detail in the Management Report.

NOTE 2 ACCOUNTING PRINCIPLES

1 BASIS OF ACCOUNTING

Avida Finans AB (publ) has prepared its annual report in accordance with the Act (1995:1559) on annual accounts in credit institutions and securities companies, the Regulations and General Guidelines on Annual Accounts in Credit Institutions and Securities Companies (FFFS 2008:25) of the Swedish Financial Supervisory Authority and RFR2 Recommendation for Accounting for legal entities of the Swedish Financial Reporting Board.

RFR 2 means that the annual report of the legal entity is prepared on the basis of all International Financial Reporting Standards (“IFRS”) approved by the EU and statements, as far as possible within the framework of the Swedish Annual Accounts Act and with regard to the relationship between accounting and taxation.

The accounting principles indicated below have been applied consistently to all periods presented in the financial statements, unless otherwise stated.

The acquisition from Santander regarding the Credit Card and Sales Financing portfolios has not led to any change of applied accounting principles.

An assessment is made on an ongoing basis that the company meets the requirements for the going concern principle regarding available liquidity and capital position, including buffers to cope with unforeseen events.

2 NEW AND CHANGED ACCOUNTING PRINCIPLES

2.1 New and changed standards introduced

There are no changes to IFRS or IFRIC that have come into effect in 2025 that have had any significant impact on the financial statements or capital adequacy of the Company.

2.2 New and amended standards not yet in place

There are no new or changed standards, interpretations or changes to Swedish regulations that have not yet entered into effect that are expected to have any significant impact on the financial statements or capital adequacy of the Company when applied for the first time. The Company continuously monitors developments in accounting standards including interpretations or changes in Swedish regulations. Following an initial analysis, the Company estimates that changes to the classification and measurement of financial instruments based on IFRS 7 and IFRS 9 may have a partial impact on the financial statements in connection with their application from January 2026, in terms of clarifying FVOCI and SPPI, as well as a clearer link between IFRS 7 and IFRS 9.

Furthermore, the company estimates that IFRS18 (Design of primary financial statements and notes and, in particular, greater demands for detail) will affect the design and presentation of future reports in connection with the introduction as of 2027. Analysis is currently ongoing to fully understand the meaning, and discussions on the interpretation of certain parts are still ongoing.

3 SIGNIFICANT ASSESSMENTS AND ESTIMATES IN THE FINANCIAL STATEMENTS

The preparation of the financial statements in accordance with legally restricted IFRS requires Company management to make assessments and estimates, as well as make assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and assumptions are based on historical experience and a number of other factors that seem reasonable under the prevailing conditions. The result of these estimates and assumptions is used to assess the reported values of assets and liabilities that are not otherwise clear from other sources.

Actual outcomes may deviate from these estimates and assessments. Estimates and assumptions are reviewed regularly. Changes in estimates are reported in the period in which the change is made, if the change only affects this period or in the period in which the change is made and future periods if the change affects both the current period and future periods.

The assessments and estimates made by Company management in the application of IFRS that have a significant impact on the financial statements and estimates made, that may lead to significant changes to year-end financial statements in future years are as follows.

3.1 Valuation of expected credit losses

The calculation of expected credit losses is based on forward-looking credit risk models that predict the probability of a claim defaulting, the expected loss given default and the estimated exposure at the time of default.

The models are intended to estimate losses that have not yet occurred, which makes them inherently uncertain. The calculation includes a number of elements with a high degree of assessment, from the consideration of historical information to current conditions and macroeconomic forecasts.

In addition to the forward-looking credit risk models, management can also make expert assessments to consider effects not captured by the existing models. When assessing the need for impairment of loan receivables, the most critical assessment is estimating the loss given default (LGD).

Avida's assessment basis for LGD is described in more detail in Section 6.3 Impairment of financial assets. A sensitivity analysis of the component can be found in Note 14 Lending to the public.

3.2 Valuation of intellectual property rights

The valuation of the carrying amount of intangible property rights is based on the purchase price allocation carried out in connection with the acquisition of the Credit Card and Sales Financing portfolios from Santander. The valuation is based on the future value these customers will bring to Avida, based on the acquisition calculation that forms the basis for the acquisition. This calculation is based on historical outcomes and assumptions about the future. When assessing this value, customers' activity is considered to have the greatest impact on any need for impairment. The depreciation period is estimated at five years.

3.3 Assessment of Tier 1 capital injections

The capital injection carried out during the fourth quarter of 2024 relating to a warrant issue has been deemed by management to be a Tier 1 capital contribution based on it meeting the requirement of a residual right in a company's assets after deduction of all its liabilities.

4 TRANSLATION OF FOREIGN CURRENCY

4.1 Functional currency and reporting currency

The financial statements are presented in Swedish kronor, which is the reporting currency and accounting currency for Avida Finans AB (publ).

4.2 Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency at the exchange rates that apply on the transaction date.
Receivables and liabilities are valued at the balance sheet date rate.
Exchange gains and losses arising from the payment of transactions and from the translation of assets and liabilities in foreign currencies are recognised in the profit and loss statement under "Net profit/loss of financial transactions".

To minimise the effect of exchange rate differences, Avida has underwritten currency derivatives. These are reported at fair value and are listed under Net profit/loss of financial transactions.

4.3 Translation of foreign operations

Avida Finans AB (publ) conducts business through branches in Norway and Finland. Profit/loss and financial position of the foreign branches that have a functional currency other than the reporting currency are translated to the reporting currency as follows:

- Assets and liabilities for each of the balance sheets are translated at the balance sheet date rate.
- Revenues and expenses for each of the profit and loss accounts are translated at the average exchange rate.
- Exchange rates arising from translation are recognised in other comprehensive income and accumulated as a separate part of a separate chapter.

5 SEGMENT ACCOUNTING

In accordance with IFRS 8, segment reporting is presented based on how the top executive management, - company management - follows up on the business in Avida. The segments reported are Business to Consumer and Business to Business.

See Note 4 Operating segments for further description of the division and presentation of the operating segments.

6 FINANCIAL INSTRUMENTS

Financial assets recognised on the balance sheet include cash and balances with central banks, mortgageable government bonds, lending to credit institutions, lending to the public and derivatives with positive market values. Financial liabilities include deposits and borrowings from the public, derivatives with negative market values and subordinated liabilities.

6.1 Balance sheet recognition and derecognition

A financial asset or financial liability is recognised on the balance sheet when the Company becomes a party according to the contractual terms of the instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset cease or when a transfer of the financial asset where the company also transfers substantially all the risks and benefits associated with ownership of the financial asset.
A financial liability is derecognised when the obligation in the agreement is fulfilled or otherwise extinguished.

Acquisition and divestment of financial assets is reported on the trade date, which is the date on which the company agrees to acquire or divest the asset.

A financial asset and a financial liability are only set off and reported with a net amount in the balance sheet when there is a legal right to set off the amounts and there is an intention to settle the items with a net amount or at the same time realise the asset and settle the debt.

6.2 Classification and measurement

A financial asset is classified at initial recognition based on the purpose for which the instrument was acquired according to the company's business model for the management of financial assets, and if the instrument's contractual cash flows only contain payments of principal and interest.

Financial liabilities are classified as a general rule at amortised cost, with the exception of financial liabilities that are required to be classified at fair value through profit or loss.

Financial assets or liabilities are initially reported at the fair value of the instrument with the addition of transaction costs.

The exception is derivatives and instruments that are recognised at fair value through the income statement, which at initial recognition are recognised at fair value excluding transaction costs.

Financial assets and liabilities recognised at amortised cost
The financial assets recognised at amortised cost are "Cash and balances with central banks", "Mortgageable government bonds" (except for a money market fund recognised at fair value through profit or loss in accordance with the section below), "Lending to credit institutions" and "Lending to the public". These assets are held within the framework of a business model whose purpose is to hold the receivables to collect contractual cash flows containing only payments of principal and interest.

All financial liabilities are recognised at amortised cost, except for derivative liabilities which are required to be recognised at fair value through profit or loss as described in the section below.

Financial assets and liabilities assessed at fair value through profit or loss
A financial asset is measured at fair value through the income statement if the conditions for accounting at amortised cost or at fair value through other comprehensive income are not met. Financial assets and liabilities that are managed and evaluated based on fair values are reported here. The financial assets and liabilities recognised at fair value through profit or loss are derivatives, as well as endowment insurance included in the item "Other assets". All changes in the value of these items are recognised directly in the profit and loss statement under "Net profit/loss of financial transactions". Transaction costs are recognised directly in the profit and loss statement at the time of acquisition.

6.3 Impairment of financial assets
Avida recognises a provision for expected credit losses for financial assets measured at amortised cost. The recognised credit losses reduce the carrying amount of an asset in the balance sheet. The initial provision is calculated at initial recognition and then adjusted over the life of the asset.

The expected credit loss model is based on a three-step categorisation of financial assets:

- Stage 1 consists of new assets and assets for which there has been no significant increase in credit risk since initial recognition. In this step, a credit loss provision is recognised equal to the expected credit loss on loans that default over the next 12 months.
- Stage 2 consists of assets that have shown a significant increase in credit risk since the initial recognition, but that are not credit impaired. In this step, a credit loss provision is recognised corresponding to the expected loss over the remaining maturity of the asset.
- Stage 3 consists of assets that are considered credit-impaired. In this step, a credit loss provision is recognised corresponding to the expected loss over the remaining maturity of the asset.

Assessment of significant increase in credit risk (Stage 2)
In order to determine whether a significant increase in credit risk exists, a comparison is made of the probability of default at the time of reporting compared to the value at the time the credit was disbursed. The change in credit risk is analysed in both relative and absolute terms.

Other indicators will also be taken into account, for example when the borrower has overdue unpaid amounts older than 30 days or in some cases has been granted a deferral. An agreement is no longer considered to be subject to a significantly increased credit risk when none of the indicators are met.

A borrower who has been more than 30 days late with a payment, but who then paid the outstanding amount will thus be categorised as not having an increased credit risk, provided that the probability of default has not increased significantly. Since historically missed payments involve an increase in the likelihood of default, most will remain at elevated risk for some time after the credit is brought up to date.

Credit-impaired asset (Stage 3)
A credit-impaired asset is a receivable for which where payment has not been received for more than 90 days or where there are other indications that repayment of the receivable is unlikely. Such indications are for example, that the borrower has been declared bankrupt or is under reorganisation or debt restructuring.

For loans and credit within the Business to Consumer business area, there is no possibility of remedying, but they remain in Stage 3.
For loans that have not been sent for debt collection, these can only be recovered at lower steps after a quarantine period of three months provided that full payment of unpaid claims has taken place.

Generally, regulatory definitions are used for categorisation of credit as credit-impaired (Stage 3), i.e. any part of the receivable is more than 90 days late with payment.

In some cases, Avida may become aware of expected future payment problems that are not captured by fixed definitions, such as an identified fraud or insolvency situation in a parent company, which is assessed as affecting the repayment capacity of the customer.

Manual decisions on categorisation as credit-impaired are made by the Company reservation committee.

Calculation of expected credit losses
As a basis for the calculation of expected credit losses, the company's models for calculating the probability of default (PD), the loss given that default has occurred (LGD) and expected exposure at the time of default (EAD). The models used in calculating provisioning needs per segment are based on empirical data from both internal information and external data.

Internal data can be the payment history on existing engagements, or the length of time that the borrower has been a customer. External data is most commonly used for corporate credit and consists of financial information and other corporate information.

Probability of default (PD)
The models used in calculating provisioning needs per segment are based on empirical data from both internal information and external data. Internal data can be the payment history on existing engagements, or the length of time that the borrower has been a customer. External data is most commonly used for corporate credit and consists of financial information and other corporate information. The probability of default over the next 12 months and over the remaining maturity of the claim respectively. The PD is calculated by analysing the historical development of defaults for similar assets.

For receivables from companies, Avida uses data from external sources that reflect the risk of default of similar businesses. For receivables from consumers, internal information about the customer's internal historical payment patterns is primarily used to calculate the risk of future default.

Avida categorises defaulted credit as:

- A payment is more than 90 days late
- A deferral measure has been granted which materially affects the present value of future repayment
- A company has filed for bankruptcy or restructuring
- Other information has emerged that is deemed to make it unlikely that full repayment will be made.

See further information under the Forward-looking Information section.

Loss given default (LGD).
LGD is the expected credit loss with respect to future recoveries and realisation of collateral. LGD is calculated from a discounted, expected cash flow of collected past due receivables, based on the performance of the respective portfolio, historical information of loss data for homogeneous groups and sales history of non-performing loan portfolios. Avida calculates cash flow for 36 months after the time of default, after which LGD is estimated to be 100%. The time period over which cash flows are calculated has been changed from 180 months to the above-mentioned 36 months in connection with the introduction of a new IFRS 9 model for provisioning for expected credit losses.

When calculating LGD in Business Finance, the type of collateral held and the value of the collateral are also taken into account. The collateral that Avida has used consists primarily of credit insurance in Factoring and the valuation of these complies with the terms of the credit insurance and the insured share of outstanding exposure.

The insurance stated above as collateral does not relate to ”Single risk” insurance but relates to a pure wealth insurance where compensation is paid subject to certain stipulated conditions.
The cost of the insurance is treated as an administrative expense.

For Corporate loans, the collateral normally consists of corporate charges, mortgages on real estate, guarantees or sureties from parent companies or owners. Depending on the type of security, a value is assigned that is expected to be recoverable in the event of default. Measurement of collateral is done in accordance with credit instructions from Avida and is normally paid for an estimated value of the collateral less any depreciation. For collateral in properties, an external, independent valuation is always obtained from an authorised appraiser.

Exposure at default (EAD).
EAD is the expected credit exposure at a future default date, taking into account changes in credit exposure as a result of capital and interest repayments. For revolving credit facilities and off-balance sheet commitments, the expected utilisation rate is used in the determination of the EAD. At each meeting, the outcome of the run of the company's models for expected credit losses is presented.

The decision may be to confirm the outcome of the models, but the committees also discuss whether there is a need for manual adjustments to the provisions based on information that is not captured by the models.

Decisions on whether there is a need for additional provisions are most common within the Business to Business segment, where certain individual business exposures based on industry, geography, security structure or other information affect the assessment.

The committee also has a forward-looking discussion on macroeconomic developments and whether there is a reason to adjust the calculation of future credit losses as a result of this.

Forward-looking information
For forward-looking assessment of expected credit losses, Avida uses actual macro outcomes and forecast macro assumptions from external sources. The factors considered are unemployment, GDP growth and policy interest rates. For Business to Business, available bankruptcy statistics are also used. In connection with the new development of Avida's models for the calculation of future losses, the company has found that the previous macro models used did not significantly predict changes in credit losses. These models have therefore not been used during the end of 2025, but new development is ongoing during the first half of 2026. In the meantime, Avida's provisioning committee has based its work on the existing macro assumptions and made an expert assessment of the impact of macroeconomic developments on future credit losses.

The forward-looking assessment is currently associated with great uncertainty. Geopolitical developments, threats of trade wars and continued uncertain macroeconomic developments have a negative impact, while the lower interest rate situation and an expected improvement in consumption and investment have a positive impact. Avida uses, at year-end, a neutral macroeconomic forecast when calculating future losses. The forward-looking assessment is currently associated with great uncertainty. Geopolitical developments, threats of trade wars and continued uncertain macroeconomic developments have a negative impact, while the lower interest rate situation and an expected improvement in consumption and investment have a positive impact.

Avida uses, at year-end, a neutral macroeconomic forecast when calculating future losses.

Impairment of low credit risk financial assets
The items Cash and balances with central banks, Lending to credit institutions and Mortgageable government bonds consist of receivables from states, municipalities and other credit institutions. These items are deemed to have very low credit risk as all counterparties have an external rating corresponding to investment grade. Avida has chosen to use the simplification option for assets with low credit risk in accordance with IFRS 9, and to assume that no significant increase in credit risk has occurred on these assets since initial recognition.

This assessment is evaluated on an ongoing basis. The ECL is therefore calculated for the next 12 months. The PD and LGD are based on information from external sources regarding equivalent counterparties and assets and the EAD is the accrued acquisition value as of the reporting date.

6.4 Write-offs

A claim classified as credit-impaired is written off the balance sheet when (i) the loan claim is sold in accordance with the applicable agreement, (ii) the loan claim is deemed to be established, which is when the bankruptcy trustee has provided an estimate of the bankruptcy dividend, debt restructuring has been established, a debt settlement proposal has been adopted, the claim has been otherwise waived or when the Swedish Enforcement Authority or the company's agent (debt collection company) announces that there are no enforceable assets. After write-off, the asset is no longer recognised in the company's balance sheet. Expected credit losses linked to the claim are reported as a reduction in expected credit losses. Payments on written-off receivables are reported as recoveries in the income statement.

6.5 Modifications

Modifications to loans in the form of extended maturity can take place either as part of the regular credit process or as a relief for clients with financial difficulties. In the latter case, the claim may be categorised as elevated risk or past maturity and may first be categorised as performing after a fixed quarantine period. Modifications where the loan is terminated and a new agreement is concluded are rare. A loan is considered modified when the terms and conditions governing cash flows change compared to the original agreement, for example due to easing of loan terms, changes in market conditions, measures to retain the customer and other factors unrelated to a borrower's impaired creditworthiness.

Modified loans are derecognised, and a new loan is recognised either when the existing loan is terminated and a new agreement is concluded with significantly different terms or if the terms of an existing agreement are significantly modified. Mere modifications due to financial difficulties of the borrower, including the granting of relief in loan terms, are not considered material on their own.

The change is considered significant when the renegotiated terms mean that the discounted present value of cash flows differs by more than ten per cent from the present value under the original loan agreement.

During 2025 Avida has not carried out any modifications of a material nature that have led to write-offs.

7 INTANGIBLE FIXED ASSETS

Avida's intangible assets consist of capitalised development costs and acquired software as well as intellectual property rights.

The acquisition cost of acquired software licences is the direct cost incurred when the software in question is acquired and deployed.
These capitalised costs are amortised during the estimated useful life of five years.

Expenses for IT development of identifiable assets over which Avida has a controlling influence, and which have an expected future economic value, are capitalised and reported as intangible assets. If the work relates to a cloud-based solution, a so-called SaaS (Software as a Service), an assessment is made as to what extent these expenses are considered to be an independent intangible asset or if they should be recognised as a cost when the service is performed. Development costs recognised as an asset are amortised on a straight-line basis over the estimated useful life of the asset, which is between five and ten years.

Maintenance expenses are expensed when they arise. Intangible fixed assets incurred in connection with the acquisition of the Credit Card and Sales Financing portfolios from Santander relate to intellectual property rights.

The value of these intellectual property rights has been determined based on the completed acquisition analysis. The depreciation period is estimated at five years.

7.1 Impairment testing

Finished intangible assets are tested for impairment when there is an indication of impairment. For unfinished intangible assets, an impairment test is carried out annually or when there is an indication of impairment. Impairment testing is carried out in accordance with IAS 36 by comparing the asset's recoverable amount with its carrying amount. Any impairment losses are recognised in the income statement.

8 LEASE CONTRACTS

Avida has concluded leases on office premises. The company has chosen to apply the exceptions in RFR 2 in the accounts, which means that IFRS 16 Leases does not affect the accounts. Expenditure on leases is recognised as an expense on an ongoing basis.

9 REVENUE AND COSTS

9.1 Net interest income

Net interest income is a key income statement item for Avida's operations.
It consists of interest income from lending to the public, lending to credit institutions and mortgageable government bonds, less interest expenses for financing in the form of deposits and borrowings from the public and subordinated liabilities.

Interest income and interest expense are calculated and recognised using the effective interest method on financial assets and liabilities measured at amortised cost.

The effective interest rate is the rate that makes the present value of all expected future cash receipts and payments during the life of the instrument equal to its carrying amount. The calculation of the effective interest rate also includes accrued amounts of fees such as transaction costs, paid or received in connection with the origination of the loan that are considered part of the loan.

In addition to interest income and interest expense, government fees such as the deposit guarantee and the resolution fee are also included in net interest income.

9.2 Net commission income

Net commission includes commission income and commission expenses related to insurance policies sold to consumers as well as income and expenses relating to credit cards and sales financing. Business to Business has a relatively low level of fee income and fee-related expenses These are reported in accordance with IFRS 15 and are presented in relation to income and expenses attributable to the use of each respective service.

9.3 Net profit/loss of financial transactions

The item "Net profit/loss of financial transactions" contains realised and unrealised changes in value attributable to financial transactions within the framework of Avida operations.
This item consists mainly of the following:

- Realised and unrealised changes in value of derivative instruments,
- Gains and losses on financial assets at fair value through profit or loss
- Exchange rate changes.

10 TAX

Income taxes consist of current tax and deferred tax.
Income taxes are recognised in the income statement, except when the underlying transactions are recognised directly in equity. The tax effect is then also recognised against equity.

Current tax comprises tax payable or receivable in respect of the current year, and adjustments to current tax in prior periods.

Deferred tax relates to temporary differences between reported and tax values of assets and liabilities. Deferred tax assets are only reported to the extent that Avida considers it probable that these will be usable in the future. The Avida board of directors has established a remuneration policy that has been published on the Avida website (www.avida.se). The remuneration policy is based on the Financial Supervisory Authority's regulations FFFS 2011:1.

11 EMPLOYEE BENEFITS

The Avida board of directors has established a remuneration policy that has been published on the Avida website (www.avida.se).
The remuneration policy is based on the Financial Supervisory Authority's regulations FFFS 2011:1. The remuneration system is designed with almost exclusively fixed remuneration. Variable remuneration can only be paid to a few employees and only this year's result for an entire business area can generate variable remuneration. No individual products can generate variable remuneration. No products for which profits arise only during the later financial year can affect the current year's variable remuneration. Commission-based remuneration can be paid to the sales personnel.

11.1 Salaries and remuneration

Staff costs such as salary and national insurance contributions are reported in the profit and loss statement in the period in which the employees performed a service for Avida. Staff costs and required information are provided in Note 8 Staff costs.

11.2 Pension obligations

Avida only has defined contribution pension plans, i.e. pension plans where Avida pays a fixed fee to a separate legal entity. Avida has no legal or informal obligations to pay additional fees if this legal entity does not have sufficient assets to pay all employee benefits associated with the employee's service during current or previous periods.
Avida thus has no further payment obligations once the fees have been paid. The fees are recorded as the employee earns the pension and are reported under General Administration Expenses.

NOTE 3 RISK MANAGEMENT

3.1 GENERAL INFORMATION REGARDING RISK AND RISK MANAGEMENT

Avida's risk strategy is directly linked to the business strategy and business model, which means primarily taking on credit risk to generate revenue and desired return on equity.

The business is conducted in a regulated environment where effective, transparent and well-functioning risk management is key to ensuring stability, a long-term perspective and the ability to meet both customer and regulatory requirements. Avida's operations generate different types of financial risk such as credit risks, concentration risks, market risks and liquidity risks, as well as other risks such as strategic risks, model risks and operational risks. Avida's risk strategy is closely linked to the business model and is determined by the Board through a risk policy, risk appetite and supplementary governance documents.

Risk management aims to identify, measure, monitor, limit and report risks in a way that enables healthy and controlled growth.
The risk appetite is expressed through target levels, warning levels and limits per risk category, in line with Avida's risk appetite framework. Limits are continuously monitored and reported at least quarterly to the Board, while some liquidity measures are reported significantly more frequently.

Avida works with external and internal limits, as well as target levels. External limits correspond to regulatory requirements, while internal limits are limits determined by the Board. The target levels signal early warnings for management to act before a risk limits are breached. Any indications of an elevated risk or actual limit breach will be handled as incidents and promptly addressed.

The risk policy and its associated instructions are updated at least annually and, if necessary, more frequently to reflect changes in the business model, market conditions, regulatory requirements and internal governance.

Avida endeavours to maintain a high level of risk awareness and to only take necessary and calculated risks to achieve its business goals.

Avida conducts an Internal Capital and Liquidity Assessment (ICAAP/ILAAP) every year, which includes stress tests of all significant risks. The ICAAP/ILAAP integrates with the business and risk strategy and is used as a guide in day-to-day operations. The purpose is to ensure that the business can bear its risks in both normal and stressed scenarios, as well as to determine the level of internal capital and liquidity. Avida works systematically to strengthen lending processes, data quality, risk models and internal control. Through ongoing analysis, follow-up and reporting of developments in both new sales and portfolio management, as well as assessments of existing changes in the market, among competitors and in the macroeconomy, Avida ensures a continuous adjustment to the conditions for continued strong portfolio performance.

Reporting of the outcome of risk limits takes place in accordance with established policies and instructions.

The CRO and first line report quarterly to the Board and management. Quarterly reporting includes capital, liquidity, counterparty, concentration, market and operational risk, as well as other risks. The first line also reports liquidity risk at least weekly to management. Credit risk and credit losses are reported monthly to the Board.

Credit risk is directly linked to the Avida business model and is thus classified as desirable risk. Other risks are seen as necessary to meet the business model and should be kept at a low level.

Risk category	Desired/ Necessary	Risk appetite	Limit utilisation
Credit risk related to business activities	Desired	Must be included but checked	Medium/ High
Concentration risk related to the business of provision of credit by the company	Necessary	Must be minimised as long as it is economically justifiable	Low
Counterparty risk related to financial operations	Necessary	Must be minimised as long as it is financially justifiable	Low
Liquidity and financing risk	Necessary	Must be minimised as long as it is financially justifiable	Low
Market and interest rate risk	Necessary	Must be minimised as long as it is financially justifiable	Low
Operational risks	Necessary	Must be minimised as long as it is financially justifiable	Low
Other risks	Necessary	Must be minimised as long as it is financially justifiable	Low

Risk management in Avida takes place in three lines of defence:
The first line of defence consists of the business functions that are responsible for the risk and carry out risk management within their area. The second line of defence is an independent risk control and compliance function.

The risk control function is led by the Chief Risk Officer. The function reports directly to both the CEO and the Board. Risk control is responsible for identifying, compiling, analysing and reporting the company's overall risks. It also monitors that risk management in the business takes place in a correct and appropriate manner. The compliance function is led by the Chief Compliance Officer. This function also reports directly to the CEO and the Board. Compliance is responsible for continuously evaluating how well the business complies with laws, regulations and other relevant regulatory frameworks.

The third line of defence is an independent internal audit function that conducts audits and evaluations of the company's internal control environment.

The internal audit ensures that internal control is effective, appropriate and adapted to the risks of the business.

3.2 CREDIT RISK

Credit risk is the risk of loss as a result of a counterparty being unable to fulfil its payment obligations to Avida.

Credit risk also includes counterparty risk and concentration risk. Credit risk and concentration risk are directly linked to Avida's business model and are thus classified as natural risks arising from Avida's business model. The Board has decided that Avida should have a low to medium appetite for credit risk. Avida's credit risk arises primarily through lending to the public.

The lending portfolio can be divided into the following areas:

Private lending	Corporate lending
Consumer loans	Factoring
Credit cards	Corporate loans
Sales financing	Revolving credit facilities

Avida always assesses the creditworthiness of all credit and loan promises provided and only grants money to customers who have a documented repayment ability, as well as an expected high level of willingness to pay.

Avida's procedures for monitoring of credit exposures are adequate and focus on taking measures for primarily overdue payments and unregulated receivables. This is for the purpose of minimising credit losses at an early Step through the early detection of payment problems for borrowers and the subsequent rapid processing of any claim cases.

3.2.1 CREDIT RISK MANAGEMENT METHODS AND ASSESEMENT OF EXPECTED CREDIT LOSSES

Avida applies an integrated framework for credit risk management that combines policies, regulations, data-driven models and expert assessments. The framework covers the entire credit life cycle from lending and monitoring to the calculation of expected credit losses in accordance with IFRS 9.

The aim is to ensure that credit risk is identified, measured and managed in a structured and consistent manner, and that the provision for credit losses reflects the actual level of risk in the portfolio. Avida uses scoring models as a central tool for lending that includes assessing repayment capacity, willingness to pay and adequate customer due diligence processes. The models are statistically based and developed based on historical data and relevant credit quality characteristics. The purpose is to estimate the probability of default (PD) and to support the assessment of the customer's ability to repay. Scoring models combine multiple sources of information such as external credit reference data, internal behaviour data and customer-provided information.

The models are supplemented with rules-based controls, Left-To-Live-On (KALP) calculations and manual credit assessments when required to ensure a holistic risk assessment. Credit decisions are made automatically or manually depending on the risk level, amount and model outcome. Scoring models are regularly reviewed and updated to maintain their predictive ability.

When measuring expected credit losses (ECL), Avida uses internal models for PD, Loss Given Default (LGD) and Exposure at Default (EAD). These models are developed in accordance with IFRS 9 and are based on historical data, current portfolio information and forward-looking assumptions. The calculations are made both for 12 months and for the asset's entire remaining maturity.

The ECL models include the following components:

- PD models that estimate the probability of an exposure defaulting within a certain time period.
- LGD models that estimate the loss rate given default and take into account collateral, any recoverable amounts, and historical recovery patterns.
- EAD models that estimate exposure at the time of default and consider, for example, the utilisation rate in revolving credit facilities.

For a forward-looking assessment of expected credit losses, Avida uses forecasted macro assumptions from external sources. In connection with the recent development of Avida's models for calculating future losses, the company has found that the previous macro models used in the models did not significantly predict changes in credit losses.

These models have therefore not been used during the end of 2025, but new development is ongoing during the first half of 2026. In the meantime, Avida's provisioning committee has based its work on the existing macro assumptions and made an expert assessment of the impact of macroeconomic developments on future credit losses.
Avida uses both quantitative and qualitative indicators to determine whether credit risk has increased significantly since initial classification.

This includes changes in PD levels, due dates, internal behavioural information, and external credit signals. Exposures classified as Stage 2 are thus based either on measurable risk increases or other observations indicating weakened repayment capacity.

The models are developed and maintained within the framework of Avida's model risk framework, which specifies requirements for documentation of assumptions, data sources and limitations, validation of models during development and significant updates, as well as ongoing monitoring of the models' performance.

If necessary, calibrations, updates or rebuilding of the models are made to ensure that they continue to be appropriate and representative of current risk conditions.

3.2.2 LENDING TO PRIVATE INDIVIDUALS

Private lending consists of Consumer loans, Credit Cards and Sales Financing. The credit process is mainly automated and based on the assessment of repayment ability, external credit information, internal history and statistical scorecards. Clear minimum criteria exist for age, income, payment history and indebtedness.

Decision rules and models are specific to Sweden, Norway and Finland, and are continuously maintained in accordance with the model risk framework. Monitoring is ongoing, with a focus on early warning signs, payment patterns and deviating developments in the portfolio.
The customer journey is regularly updated to strengthen customer protection and reduce the risk of errors.

Avida always assesses the creditworthiness of the loans granted and only grants loans to customers whose repayment capacity is reasonably ensured. Since the assessment is based on models, the outcome in terms of actual losses may differ from the calculated probability. During the period from 2023 to the first half of 2025, the economic downturn, high inflation with the resulting higher interest rates, and higher unemployment have caused credit losses above the forecast level.

Credit decisions and the credit risk in the portfolio are regularly monitored within the framework of Avida's analytical work. This enables the company to continuously correct and improve both the credit assessment criteria and the management of existing customers.

The quality of the credit assessment and the outcome in the portfolio regarding important parameters such as assessed credit risk, vintage analysis, and overdue and defaulted loans are reported regularly to management and the board. All receivables are handled internally until Avida either divests of overdue receivables and thus realises a credit loss or retains overdue receivables as a fully or partially reserved receivable.

3.2.3 CORPORATE LENDING

The corporate portfolio includes Factoring, Corporate loans and revolving business credits.

The credit assessment is carried out manually by specialists and includes analysis of company management, business model, cash flows, financial statements, collateral valuation, industry risk, receivables quality (in Factoring) and stress tests. Collateral in Corporate lending consists mainly of floating charges, mortgage deeds and credit insurance. Invoice portfolios in Factoring are monitored daily to identify deviations in payment patterns. Larger loans are decided by the credit committee.

Diversification requirements and limits in accordance with the risk appetite framework ensure reasonable exposure per customer and industry. Avida has a good history of low credit losses in factoring as a result of careful monitoring of payment flows and management of credit risk and counterparty exposures.

Corporate loans and revolving credit are customer-specific credits within the Avida risk capital framework. Loans can always based on collateral, such as company mortgages or mortgages in real estate. The loans can be given with or without amortisation and normally have a maturity of 1-5 years.

Avida has good diversification with respect to lending to sectors. The largest sector is the manufacturing industry, which represents about 26%.

Sector	Business to Business (%)
Manufacturing industry	26.2
Trade	22.3
Construction	8.7
Transporting and warehousing	6.4
Public administration	5.4
Finance and insurance	4.8
Water supply and waste management	4.4
Rental and support services	3.1
Legal, financial and technical consulting	2.2
IT and telecommunications	2.2
Real estate	1.6
Energy supply	1.2
Mining and extraction industry	1.0
Publishing and media	0.4
Other	10.2

3.2.4 OTHER FINANCIAL ASSETS

Other financial assets consist of bank accounts with credit institutions, deposits with central banks and securities with very good creditworthiness, primarily government and municipal bonds. These form an important part of the liquidity reserve and entail low credit risk.

The receivables are valued at amortised cost. Changes in fair value directly affect earnings and are mainly due to the market's risk appetite in relation to credit spread risk.

Avida can only affect this risk by adjusting its exposure to such assets, and capital requirements for credit spread risk therefore takes place within Pillar 2 in accordance with applicable regulations. In this area, counterparty risk also arises attributable to derivative transactions. To manage this risk, Avida has entered into an ISDA agreement with a CSA appendix that involves daily adjustment of collateral that in practice eliminates counterparty risk linked to these derivatives.

This management relates only to derivative-related counterparty risk and not to other financial assets. The counterparty risk in derivative transactions is reduced by the company entering into ISDA agreements together with associated CSA agreements for collateral exchange. The ISDA agreements allow netting of all derivative transactions with a particular counterparty in a credit event, limiting the total exposure. The CSA agreements mean that the exposure is further reduced by providing or obtaining cash collateral daily in accordance with changes in net exposure.Avida's assessment is that the credit risk in the other financial assets is very low and consistent with the company's risk appetite for these exposures.

Information on netting

The table below contains financial assets and liabilities that are covered by a legally binding framework agreement on netting or similar agreements, but which are not netted in the balance sheet. Avida has ISDA agreements with all derivative counterparties. The framework agreement on netting allows the parties to settle their exposures on a net basis (i.e., receivables can be offset against liabilities) in the event of a significant credit event.

INFORMATION ON NETTING

Financial Assets and Liabilities

31 dec 2025	Gross amount	Offset in the balance sheet	Net	Framework agreement on netting	Collateral received/pledged + related amounts that cannot be netted	Net amount
Assets						
Derivates	7	-	7	1	-8	-
Liabilities						
Derivates	-	-	-	-1	-	-1
Total	**7**		**7**	**-**	**-8**	**-1**

Financial assets and liabilities
The table on the previous page contains financial assets and liabilities that are covered by a legally binding framework agreement on netting or similar agreements, but which are not offset in the balance sheet.

Avida has ISDA agreements with all derivative counterparties. The netting framework agreement means that the parties may settle their exposures net (i.e. claims may be offset against liabilities) in the event of a serious credit event.

3.2.5 COLLATERAL

Collateral limits credit risk by reducing exposure to Avida in the event of a borrower's default. In corporate lending, collateral is obtained for both Corporate loans and Factoring. Collateral in business lending and revolving credit may consist of for example, unlisted shares, company mortgages and mortgages in property. In Factoring, credit insurance is used to limit the effects of a default. For receivables that are credit insured, the remaining excess is 5-10% of the amount of the invoice purchased.

During the year, Avida has not taken over any collateral/pledges to be valued on the balance sheet.

All lending to private individuals is unsecured.

3.2.6 CONCENTRATION RISK

Avida continuously monitors exposures to larger individual counterparties. To manage concentration risk against individual counterparties, Avida has limits on the size of exposures that are permitted. While the concentration is low within private lending and the factoring portfolio, there are a few larger counterparty concentrations within Corporate lending. However, these are all within the limits that Avida has established. In terms of regions and industries, the concentration risk is low.

3.3 LIQUIDITY RISK

Liquidity risk is the risk that Avida cannot fulfil payment obligations at maturity without significant costs. Avida has a low risk appetite for liquidity risk and maintains a liquidity reserve consisting of high-quality liquid assets such as bank funds, central bank deposits and government and municipal bonds.

The size of the reserve is determined based on internal stress tests, cash flow analyses and regulatory requirements. The greatest liquidity risk is expected to arise if many deposit customers simultaneously choose to withdraw their savings. This risk is primarily managed through the liquidity reserve, which acts as a buffer to absorb periods of larger withdrawals.

Avida also analyses deposit patterns on an ongoing basis and applies conservative assumptions about the outflow rate during stress tests, which includes scenarios with significant and rapid withdrawals. The stability of the deposit base is further supported by a diversified customer base and the ability to adjust deposit rates to affect inflows and outflows.

Other liquidity risks that have been identified are; unexpected liquidity outflows from unused limits, approved but not yet paid out loan promises and unexpected liquidity outflows from Avida's counterparty risk management of currency derivatives. To manage a situation of increased liquidity pressures, Avida can adjust deposit rates to attract inflows from the public, reduce the rate of lending or issue bonds or equity instruments.

In addition, Avida has procured credit facilities of NOK 2,000 million and SEK 500 million.

Avida's liquidity reserve is presented in the table below.

LIQUIDITY RESERVE	31 Dec 2025	31 Dec 2024
Cash and balance at central bank	76	80
Securities issued by state and municipality	1,312	1,092
Lending to credit institutions	1,375	2,690
Total	**2,763**	**3,862**

Management, planning and monitoring of liquidity is centralised to the Avida Treasury function. Liquidity is monitored and reported on a daily basis, including by calculating the liquidity coverage ratio.
The function regularly reports LCR, NSFR and survival horizon.
Avida meets the regulatory requirements for both LCR and NSFR by a good margin.

Avida's financing base mainly consists of deposits from the public in SEK, NOK and EUR, credit facilities in NOK and SEK as well as a smaller part of bonds and equity. In principle, all deposits from the public are covered by the government deposit guarantee.

The table below shows Avida's financing base.

SOURCES OF FUNDING	31 Dec 2025	31 Dec 2024
Debt to credit institutions	915	3,226
Deposits and borrowings from the public	10,080	10,945
Other liabilities	173	127
Subordinated debt	250	245
Tier 1 capital contributions	200	200
Other equity	1,360	1,530
Total	**12,978**	**16,383**

Avida is covered as a credit institution by regulations and legislation regarding liquidity requirements. Short-term payment readiness is measured by the Liquidity Coverage Ratio (LCR), in which the liquidity reserve is set in relation to stressed liquidity outflows over 30 days. As of 31 December 2025, the LCR measure was 216.6% (203.4), compared to the regulatory requirement of 100%. The long-term financing capacity is reflected by the stable net financing ratio (NSFR) where available stable financing is placed in relation to the need for stable financing in a stressed scenario. As of 31 December 2025, NSFR amounted to 122.9% (113.7), compared to the regulatory requirement of 100%.

Avida's survival horizon is also stress tested on at least an annual basis in the process of internal capital and liquidity assessment (ICLAAP).

MAXIMUM EXPOSURE TO CREDIT RISK

The table below presents Avida's maximum exposure to credit risk and the value of collateral for financial assets.

31 Dec 2025	Credit risk exposure, gross	Provision for credit losses	Carrying value	Value of collateral	Credit risk exposure, net
Cash and balances with central banks	76		76		**76**
Treasury bills eligible for repayment	1,312		1,312		**1,312**
Lending to credit institutions	1,375		1,375		**1,375**
Lending to the public	11,686	-1.359	10,326	1,564	**8,762**
Total	**14,448**	**-1,359**	**13,089**	**1,564**	**11,525**

31 Dec 2024	Credit risk exposure, gross	Provision for credit losses	Carrying value	Value of collateral	Credit risk exposure, net
Cash and balances with central banks	80		80		**80**
Treasury bills eligible for repayment	1,092		1,092		**1,092**
Lending to credit institutions	2,690		2,690		**2,690**
Lending to the public	13,775	-1,492	12,284	1,010	**13,293**
Total	**17,637**	**-1,492**	**16,145**	**1,010**	**17,155**

REPORTED GROSS VALUE PER CREDIT RISK RATING

The table presents Avida's credit portfolio divided into low, medium and high risk. Credit risk ratings are low, medium and high credit risk and are divided according to the category the lending belongs to based on the probability of default.

Avida has made the assessment regarding cash and balances with central banks, national debt and lending to credit institutions to belong to the category of low risk corresponding to investment grade or similar according to Standard and Poor's or Moody's counterparty risk scale.
The credit risk rating for lending to companies is based on the risk class the counterparty has according to Avida's risk class for companies and credit ratings from Dun and Bradstreet. The risk classes and credit ratings from Dun and Bradstreet are directly linked to the probability of default.

Lending to the public includes Avida's lending to private individuals. The risk categorisation is divided taking into account the probability of failure in accordance with the Avida risk scale. Low risk has a PD below 5% and high risk has a PD above 15%.

31 Dec 2025	Stage 1	Stage 2	Stage 3	Total
Cash and balances with central banks				
Low risk	76			**76**
Total	**76**			**76**
Treasury bills eligible for repayment				
Low risk	1,312			**1,312**
Total	**1,312**			**1,312**
Lending to credit institutions				
Low risk	1,375			**1,375**
Total	**1,375**			**1,375**
Lending to the public, companies				
Low risk	1,229	7		**1,237**
Medium Risk	1,192	36		**1,228**
High risk	52			**52**
Defaulted Receivables			69	**69**
Loss provision	-18	-2	-64	**-84**
Total	**2,455**	**41**	**5**	**2,502**
Lending to the public, households				
Low risk	2,198	9		**2,208**
Medium Risk	4,224	222		**4,446**
High risk	225	461		**686**
Defaulted Receivables			1,760	**1,760**
Loss provision	-225	-102	-949	**-1,276**
Total	**6,423**	**591**	**811**	**7,824**

31 Dec 2024	Stage 1	Stage 2	Stage 3	Total
Cash and balances with central banks				
Low risk	80			**80**
Total	**80**			**80**
Mortgageable Government Bonds				
Low risk	1,092			**1,092**
Total	**1,092**			**1,092**

31 Dec 2024	Stage 1	Stage 2	Stage 3	Total
Lending to Credit Institutions				
Low risk	2,690			**2,690**
Total	**2,690**			**2,690**
Lending to the public, companies				
Low risk	908	8		**916**
Medium risk	1,154	16		**1,170**
High risk	50	2		**52**
Defaulted Receivables			41	**41**
Loss provision	-38	-2	46	**-86**
Total	**2,073**	**24**	**5**	**2,092**
Lending to the public, households				
Low risk	8,316	49		**8,365**
Medium risk	398	89		**487**
High risk	50	174		**224**
Defaulted Receivables			2,520	**2,520**
Loss provision	-120	-38	-1,247	**1,405**
Total	**8,645**	**273**	**1,274**	**10,192**

MATURITY ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES

The table shows undiscounted values of the company's financial assets and liabilities divided on the basis of the time that remains on the balance sheet date until the first contractual maturity date.

31 Dec 2025	Payable on demand	<3 momths	3-12 months	1-5 years	>5 years	Total
Assets						
Cash and balances with central banks	76					**76**
Treasury bills eligible for repayment		749	289	274		**1,312**
Lending to credit institutions	1,375					**1,375**
Lending to the public	81	2,406	2,292	2,855	2,693	**10,326**
Other financial assets		37				**37**
Total financial assets	**1,531**	**3,192**	**2,580**	**3,130**	**2,693**	**13,126**
Liabilities						
Deposits from the public	9,594	300	27	159		**10,080**
Subordinated debt				250		**250**
Other provisions					254	**254**
Other financial liabilities			1	915		**916**
Total financial liabilities	**9,594**	**300**	**29**	**1,323**	**254**	**11,500**

31 Dec 2024	Payable on demand	<3 months	3-12 months	1-5 years	>5 years	Total
Assets						
Cash and balances with central banks	80					**80**
Treasury bills eligible for repayment	162	636	249	45		**1,092**
Lending to credit institutions	2,690					**2,690**
Lending to the public	6	2,611	4,103	4,000	1,564	**12,283**
Other financial assets		37				**37**
Total financial assets	**2,938**	**3,284**	**4,351**	**4,045**	**1,564**	**16,182**
Liabilities						
Deposits from the public	10,876	8	61			**10,945**
Subordinated debt					250	**250**
Other financial liabilities			55	3,226		**3,281**
Total financial liabilities	**10,876**	**8**	**116**	**3,226**	**250**	**14,476**

3.4 MARKET RISK

Market risk is the risk of losses as a result of changes in exchange rates, interest rates or other rate-related instruments. Avida exposes itself to exchange rate risk and interest rate risk in the business. The risk appetite for market risk is very low and is a natural consequence of Avida's operations. Market risk is managed by the Treasury function led by Avida's CFO. Market risks are measured monthly and quarterly in internal and external reporting.

3.4.1 EXCHANGE RATE RISK

Exchange rate risk is the risk that Avida suffers losses due to exchange rate changes. Exchange rate risks arise primarily through the existence of an imbalance between assets and liabilities in different currencies, which creates a translation risk. The Company has financing in SEK, NOK and EUR and an asset base in SEK, NOK, EUR, DKK, GBP, USD, PLN and CHF. When revaluing the balance sheet items, there is a risk of negative exchange rate effects that affect the profit and loss statement. Avida manages exchange rate risk through currency futures and by trying to create a natural matching of exchange rate exposures on the balance sheet.

3.4.2 INTEREST RATE RISK

Interest rate risk is the risk that Avida's net interest rate will deteriorate due to changes in market interest rates. Interest rate risk arises when there is no matching of interest rate fixing time between financing and assets.

For the most part, Avida has both financing and assets with short interest rate fixing periods, which reduces the interest rate risk. Avida is exposed to the Swedish, Norwegian and European interest markets, which results in diversification that the company strategically endeavours to achieve. Avida works actively to monitor interest rate risk, control exposure to interest rate risk and pricing interest rate risk when it arises. Avida's interest rate risk is primarily driven from the business loans with fixed interest rates and government bonds, as that type of asset lacks fixed interest rate matching financing. Avida's strategy is to have limited exposure to interest rate risk.

Avida conducts sensitivity analyses of reasonably possible interest rate and currency shocks.

CURRENCY EXPOSURE PER CURRENCY

Below is Avida's gross and net exposure per currency. Other currencies refer to DKK, GBP, USD, PLN and CHF.

	31 Dec 2025			31 Dec 2024		
Total currency distribution on the balance sheet date	**EUR**	**NOK**	**Other**	**EUR**	**NOK**	**Other**
Assets	3,401	3,327	459	4,478	1,929	392
Liabilities	-3,376	-3,027	-14	-4,920	-1,268	-
Total	**25**	**300**	**444**	**-442**	**661**	**392**
Foreign Exchange Forwards	-	-366	-369	484	-679	-384
Net Position in Currency	**25**	**-66**	**75**	**42**	**-18**	**7**

FOREIGN EXCHANGE RATE RISK

The table below illustrates the estimated effects on key ratios as a result of changes in exchange rates. The results are based on the currency exchange rate effect when translating the branches' results.

	Finacial measure	Change	31 Dec 2025	31 Dec 2024
Change in exchange rate SEK-NOK	Profit/loss before tax	+/- 10 %	-4	-1
	Change in equity	+/- 10 %	-3	-1
Change in exchange rate SEK-EUR	Profit/loss before tax	+/- 10 %	16	14
	Change in equity	+/- 10 %	13	11

NET INTEREST INCOME RISK

The table shows the estimated effect on the income statement over the next 12 months in the event of a parallel shift of the interest rate curve +/- 2%.

	Finacial measure	Change	31 Dec 2025	31 Dec 2024
Parallel shift of the interest rate curve	Profi t/loss before tax	+/- 2 %	22	21
	Profi t/loss before tax	+/- 2 %	-53	-47

MARKET AND INTEREST RATE RISK FOR LOANS AND DEPOSITS

The table below illustrates the estimated effects on key ratios as a result of changes in interest rate conditions.

	Financial Measure	Change	31 Dec 2025	31 Dec 2024
Risks in Deposits from the Public				
Change in Deposit Interest Rate	Profit/loss before Tax	+/- 1 %	104	108
	Change in equity	+/- 1 %	83	86
Risks in Lending to Credit Institutions				
Change in Lending Interest Rate	Profit/loss before Tax	+/- 1 %	107	108
	Change in equity	+/- 1 %	85	86
Risks in Lending to Credit Institutions				
Change in Lending Interest Rate	Profit/loss before Tax	+/- 1 %	13	16
	Equtiy	+/- 1 %	10	13

3.5 OPERATIONAL RISKS

Operational risk is the risk of direct or indirect losses due to incorrect or inappropriate internal procedures or processes. Operational risk includes human error, system failures and external or internal events, including legal, model and ICT risks, but not strategic and reputational risks.

Avida's risk appetite for operational risks is low, but a certain level of risk needs to be tolerated as there are not realistic opportunities to completely eliminate the risks. It follows from this that operational risks should be reduced as far as cost-effectively possible.

Avida defines its essential processes with process owners who carry out risk identifications at least once a year. These describe the operational risks that Avida sees within each process. Each identified risk is then identified with its inherent risk (before risk management), risk management and residual risk (after risk management).

Avida defines and validates risk management using risk controls that are also assessed based on their efficiency - how frequently the control is carried out and design - how well the control manages the risk. The overall picture creates a framework for Avida's risk management of operational risks, where the risks that exceed specific threshold values are handled separately or areas with high risk values are focused on with risk management initiatives that deal with the specific risk.

3.5 CLIMATE RISK

Climate-related risks can affect credit risk, operational risk and market risk in the longer term. Avida estimates that direct effects on credit loss provisions today are limited, but that climate-related factors will become increasingly important over time. Avida therefore includes climate-related risks in the credit assessment through qualitative assessments and follows the development of industry practices and regulatory expectations, in line with regulatory requirements.

NOTE 4 OPERATING SEGMENTS

Segment reporting is prepared based on how the top executive management - company management - follows up on the business in Avida. The acquisition of the Credit Card and Sales Financing portfolios from Santander is part of the Business to Consumer segment, and credit losses have been negatively affected by the initial credit loss provision. Lending to the public has increased by acquired Credit Card and Sales Financing volume.

Ahead of 2025, operating segment reporting has been adjusted, with factoring and business loans now reported under the Business to Business segment.

The comparative figures for 2024 consist of the sum of the two previously separately reported segments. The profit measure that is followed up at segment level is the profit before tax. For the balance sheet, follow-up is only made of lending volume.

The profit and loss statement for the segments follows the legal arrangement format for Operating income, except for the item Total risk-adjusted operating income relating to total revenue for the segment net including credit losses. Each segment bears a portion of total interest expenses based on lending volume and estimated lending financing cost.

No individual customer within our various segments makes up more than 10% of total revenue.

	Business to Consumer		Business to Business		Total	
MSEK						
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Interest income	1,472	857	261	317	**1,733**	**1,175**
Interest expenses	-406	-357	-36	-106	**-442**	**-463**
Net interest income	**1,066**	**501**	**225**	**211**	**1,290**	**712**
Net commission income	-46	21	-2	-	**-48**	**21**
commission commission	1	7	-4	3	**-3**	**9**
Net result from financial transactions	3	3	-	1	**3**	**4**
Total operating income	**1,023**	**531**	**218**	**215**	**1,242**	**747**
Credit losses, net	-660	-885	-22	-46	**-682**	**-931**
Total risk-adjusted net operating income	**364**	**-354**	**196**	**169**	**560**	**-185**
Operating expenses	-593	-352	-119	-149	**-711**	**-501**
Profit before tax	**-229**	**-706**	**77**	**20**	**-152**	**-686**
Lending to the public	7,824	10,191	2,502	2,093	**10,326**	**12,284**
Key ratios						
Net interest margin	11.8%	4.9%	9.8%	10.1%	**11.4%**	**5.9%**
Loss ratio	7.3%	8.7%	1.0%	2.2%	**6.0%**	**7.7%**

GEOGRAPHICAL INFORMATION	2025				2024			
	Sweden	**Norway**	**Finland**	**Total**	**Sweden**	**Norway**	**Finland**	**Total**
Total operating income	923	59	260	**1,242**	270	118	358	747
Lending to the public	6,608	1,389	2,329	**10,326**	8,105	1,230	2,948	12,284

NOTE 5 NET INTEREST INCOME

	2025			2024		
	Accrued amortised value	Fair value through the income statement	Total	Accrued amortised value	Fair value through the income statement	Total
Lending to credit institutions and cash and balances with central banks	26		26	32		32
Derivatives		0	0		5	5
Bonds and other interest-bearing securities	19		19	13		13
Lending to the public	1,683		1,683	1,114		1,114
Other interest income	4		4	10		10
Total interest income	**1,733**	**0**	**1,733**	**1,169**	**5**	**1,175**
Lending from credit institutions	-11		-11	-13		-13
Deposits from the public	-359		-359	-377		-377
Derivatives		-18	-18		-12	-12
Deposit guarantee	-24		-24	-23		-23
Subordinated debt	-29		-29	-33		-33
Other interest expenses	0		0	-4		-4
Total interest expenses	**-422**	**-18**	**-442**	**-450**	**-12**	**-462**
Net interest income	**1,308**	**-18**	**1,290**	**719**	**-7**	**712**

NOTE 6 NET COMMISSION INCOME

	2025	2024
Commission income from brokered insurance	23	21
Credit card-related income	84	-
Total commission income	**107**	**21**
Credit card-related costs	-136	-
Costs relating to significant risk transfer	-9	-
Transaction costs	-10	-
Total commission cost	**-155**	**-**
Net commission income	**-48**	**21**

NOTE 7 NET RESULT FROM FINANCIAL TRANSACTIONS

	2025	2024
Change in value of foreign exchange forward contracts	-71	-24
Exchange rate differences, net	62	26
Net profit/loss from financial assets valued at fair value through the profit and loss statement through the profit and loss statement	6	7
Total	**-3**	**9**

NOTE 8 STAFF COSTS

SALARIES AND REMUNERATION	2025	2024
Salaries and remuneration		
Board and other senior executives	18	22
Other employees	143	109
Total salaries and remuneration	**161**	**132**
Employees taxes	43	37
Pensions costs		
Board and other senior executives	4	4
Other employees	19	15
Total pensions cost	**24**	**19**
Other staff costs	11	17
Total staff costs	**238**	**205**

AVERAGE NUMBER OF EMPLOYEES	2025	2024
Sweden	120	131
Norway	40	19
Finland	9	12
Total number	**170**	**162**

GENDER DISTRIBUTION BOARD AND SENIOR EXECUTIVES	2025			2024		
	Female	Male	Total	Female	Male	Total
Board	1	5	**6**	2	4	**6**
Senior executives	2	5	**7**	4	6	**10**

REMUNERATION TO SENIOR EXECUTIVES 2025	Basic salary/ fees	Variable com-pensation	Other benefits	Pension costs	Total
Mikael Johansson (CEO)	5	-	-	2	**7**
Magnus Lindquist (Chairman of the Board)	2	-	-	-	**2**
Celina Midelfart (Board member)	-	-	-	-	**-**
Geir Olsen (Board member)	-	-	-	-	**-**
Vaibhav Piplapure (Board member)	-	-	-	-	**-**
Teresa Robson-Capps (Board member until 2025-08-31)	0	-	-	-	**0**
Johan Roos (Board member from 2025-09-26)	0	-	-	-	**0**
John Stein (Board member)	-	-	-	-	**-**
Other senior executives	11	0	0	3	**14**
Total	**18**	**0**	**0**	**4**	**23**

REMUNERATION TO SENIOR EXECUTIVES 2024	Basic salary/ fees	Variable com-pensation	Other benefits	Pension costs	Total
Mikael Johansson (CEO from 2024-09-30)	1	-	-	-	**1**
Tine Wollebekk (CEO until 2024-09-30)	4	-	-	1	**4**
Magnus Lindquist (Chairman of the Board from 2024-06-27)	-	-	-	-	**-**
Varun Khanna (Chairman of the Board until 2024-06-27)	-	-	-	-	**-**
Celina Midelfart (Board member)	-	-	-	-	**-**
Geir Olsen (Board member)	-	-	-	-	**-**
Vaibhav Piplapure (Board member)	-	-	-	-	**-**
Teresa Robson-Capps (Board member)	1	-	-	-	**1**
John Stein (Board member)	-	-	-	-	**-**
Other senior executives	16	0	0	3	**19**
Total	**21**	**0**	**0**	**4**	**26**

The costs associated with the CEO change in 2024 amount to SEK 11 million.

Variable remuneration

The additional variable remuneration is paid in relation to individual target fulfilment of the revenue and earnings targets set for the year. The targets are set annually by the Board. Information about the Company's remuneration policy in accordance with the disclosure requirements in FFFS 2011:1 is available on the Company website www.avida.se.

Pensions

All employees' pensions are secured through defined contribution plans, which means that the financial year's cost of pensions corresponds in its entirety to pensionable benefits.

Termination periods and severance pay

The CEO is employed by Avida Finans AB (publ). According to the agreement between Avida Finans AB (publ) and the CEO, the notice period is six months. There is an agreement on severance pay for the CEO corresponding to 12 months' salary after the notice period.

Loans to senior executives

There are no loans to senior executives except for issued credit cards with smaller limits on market terms.

NOTE 9 GENERAL ADMINISTRATIVE EXPENSES

	2025	2024
Personnel costs	238	205
Cost for premises	18	14
IT/data	61	60
Consulting fees and other external services	283	141
Audit Fees	4	5
Marketing costs	12	3
Other administrative expenses	48	35
Total other costs	**665**	**463**

REMUNERATION TO AUDITORS	2025	2024
Deloitte		
Audit assignment	4	5
Total	**4**	**5**

NOTE 10 CREDIT LOSSES, NET

	2025	2024
Lending to the public		
Provisions - Stage 1	123	84
Provisions - Stage 2	79	-23
Provisions - Stage 3	-320	502
Total provisions	**-118**	**563**
Write-offs	803	370
Recovered financial assets	-3	-2
Total credit losses from lending to the public	**682**	**931**
Total credit losses. net	**682**	**931**

Based on the acquired Credit Card and Sales Financing portfolios, the provisions for performing loans (Stage 1) have increased despite a decrease in the volume of consumer loans.

Stage 2 has increased during the year due to the newly developed provision model for consumer loans. The provisions for non-performing loans (Stage 3) have decreased significantly, mainly due to the divestment of portfolios in all currencies and the effect of completed activities targeting customers at risk of being transferred to debt collection, offset by volumes from the acquired Credit Card and Sales Financing portfolios.
In general, significant provisions were made in 2024 for Stage 3.

See Note 14 for more detailed information regarding changes in credit loss provisions in total and per business area. The amounts included under impairment and recoveries are attributable to non-performing portfolios retained or divested in the respective year.

NOTE 11 TAX ON ANNUAL PROFIT/LOSS

	2025	2024
Current tax on annual profit or loss	-2	-
Adjustment of tax relating to previous year	-	1
Tax on annual profit or loss	**-2**	**1**
Effective tax reconciliation		
Reported earnings before tax	-152	-686
Tax according to current tax rate	31	141
Difference in Foreign Tax Rates	-11	-7
Tax effect of non-deductible costs	-	2
Tax effect not valued deficit deduction	-22	-109
Tax effect on earnings for previous years	-	2
Tax effect on translation difference from branches	-	28
Tax on annual profit/loss according	**-2**	**1**
Tax reported in the balance sheet		
Current tax asset	37	36

NOTE 12 CASH AND BALANCES WITH CENTRAL BANKS AND LENDING TO CREDIT INSTITUTIONS

	31 dec 2025	31 dec 2024
Cash and balances with central banks, SEK	-	-
Cash and balances with central banks, other currencies	76	80
Lending to credit institutrions, SEK	190	1,393
Lending to credit institutrions, other currencies	1,185	1,296
Total	**1,450**	**2,770**

NOTE 13 TREASURY BILLS ELIGIBLE FOR REPAYMENT

	31 dec 2025	31 dec 2024
Mortgageble municipal bonds	781	280
Other mortgageble bonds	531	812
Total	**1,312**	**1,092**

NOTE 14 LENDING TO THE PUBLIC

	31 dec 2025	31 dec 2025
Lending to the public, gross	**11,686**	**13,775**
of which are Stage 1	9,127	10,876
of which are Stage 2	737	338
of which are Stage 3	1,822	2,561
Total provisions	**-1,359**	**-1,492**
of which are Stage 1	-243	-158
of which are Stage 2	-104	-41
of which are Stage 3	-1,013	-1,293
Lending to the public, net	**10,326**	**12,284**

DEVELOPMENT OF EXPOSURES AND RESERVES DURING THE YEAR

The reserve development for Business to Consumer regarding Step 1 has increased by SEK 105 million compared to 2024. Part of the increase relates to the acquisition of the credit card and sales finance portfolios from Santander, SEK 55 million, and part of the increase relates to an updated IFRS 9 model and increased new sales in consumer loans. The change in Stage 2, with an increase of SEK 64 million, is mainly driven by the updated IFRS 9 models for consumer loans. The Stage 3 decrease, SEK -298 million, is driven both by the sale of non-performing consumer loan portfolios and by increased provisions for credit cards and sales financing. For credit loss provisions in 2025, no macro model has been used as the existing model has not adequately supplemented the outcome; instead, an expert assessment of the impact of macro developments on future credit losses has been used, amounting to SEK 2 million. Avida has continued to be restrained regarding volume growth in consumer loans, mainly in relation to Swedish volumes. During the year, Avida has increased resources to reduce the number of customers transferred to collections, which has meant that the volume transferred to debt collection has decreased significantly, mainly in the Swedish market.

Business to Business has reduced provisions in Stage 1 by SEK 12 million, the majority of which relates to business lending, which is offset by increased provisions for factoring due to increased financed volume. The Stage 2 change is basically unchanged, and Stage 3 has decreased by SEK 15 million. The decrease is attributable to business lending, offset by an individual provision for a factoring agreement. In the area of non-performing loans (NPL), during the year Avida has divested Swedish portfolios of SEK 647 million, a Norwegian portfolio of NOK 191 million and a Finnish portfolio of EUR 40 million, with an accumulated loss of SEK 2 million. The divestment of these portfolios means that Avida is not exposed to the backstop regulations in 2026. Avida will consider additional sales in 2026. Further sales may occur during 2025.

CHANGES IN VOLUME AND PROVISIONS BY BUSINESS AREA BETWEEN 2025 AND 2024.

	Business to Business	Business to Consumer	Avida total
Lending to the public	**406**	**-2,496**	**-2,089**
where of stage 1	404	2,153	**1,749**
where of stage 2	9	390	**399**
where of stage 3	-7	-732	**-739**
Provisions	**-3**	**-129**	**-132**
where of stage 1	12	105	**117**
where of stage 2	-	64	**64**
where of stage 3	-15	-298	**-313**

CHANGE IN REPORTED GROSS VALUE AND LOSS RESERVES IN 2025

SEK million	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount, 1 Jan 2025	**10,876**	**338**	**2,561**	**13,775**
New financial assets	3,821	101	62	**3,984**
Derecognised financial assets	-2,998	-56	-1,355	**-4,409**
From stage 1 to stage 2	-625	578	-	**-48**
From stage 1 to stage 3	-547	-	531	**-17**
From stage 2 to stage 1	20	-25	-	**-5**
From stage 2 to stage 3	-	-202	191	**-11**
From stage 3 to stage 1	17	-	-22	**-5**
From stage 3 to stage 2	-	17	-19	**-2**
Changes due to expert assessments (individual assessments, manual adjustments*	-1,146	-5	-35	**-1,186**
Interest and fees	-	-	-35	**-35**
Exchange-rate differences	-290	-8	-57	**-355**
Gross carrying amount, 31 December 2025	**9,127**	**737**	**1,822**	**11,686**

*Loans that have remained in the same stage throughout the period and have been amortized.

SEK million	Stage 1	Stage 2	Stage 3	Total
Provision for credit losses, 1 Jan 2025	**158**	**41**	**1,292**	**1,491**
New financial assets	33	6	44	**83**
Derecognised financial assets	-20	-3	-664	**-688**
From stage 1 to stage 2	-8	87	-	**80**
From stage 1 to stage 3	-12	-	261	**249**
From stage 2 to stage 1	1	-2	-	**-2**
From stage 2 to stage 3	-	-27	87	**60**
From stage 3 to stage 1	1	-	-9	**-8**
From stage 3 to stage 2	-	3	-7	**-4**
Changes in risk factors (PD, EAD, LGD)*	105	3	127	**235**
Changes due to expert assessments (individual assessments, manual adjustments) **	-12	-2	-91	**-105**
Interest and fees	-	-	-5	**-5**
Exchange-rate differences	-4	-1	-22	**-27**
Provision for credit losses, 31 Dec 2025	**243**	**104**	**1,013**	**1,359**

*Expert adjustments are made to the provisions model for both Business to Business and Business to Consumer created for regulatory reporting purposes to comply with IFRS9 accounting principles.

CHANGE IN GROSS CARRYING AMOUNT AND PROVISIONS

SEK million	Stage 1	Stage 2	Stage 3**	Amount
Gross carrying amount, 1 Jan 2024	**8,959**	**624**	**1,861**	**11,444**
New financial assets	6,651	100	103	**6,855**
Derecognised financial assets	-2,927	-75	-541	**3,543**
From stage 1 to stage 2	-207	193	-	**-14**
From stage 1 to stage 3	-850	-	815	**-34**
From stage 2 to stage 1	53	-58	-	**-6**
From stage 2 to stage 3	-	-368	353	**-15**
From stage 3 to stage 1	1	-	-4	**-3**
From stage 3 to stage 2	-	2	-2	**-**
Changes due to expert assessments (individual assessments, manual adjustments*)	-872	-87	-37	**-996**
Interest and fees	-	-	11	**11**
Exchange-rate differences	68	6	2	**76**
Gross carrying amount, 31 Dec 2024	**10,876**	**338**	**2,561**	**13,775**

*Loans that have remained in the same stage throughout the period and have been amortized.

** Stage 3 has been reclassified from net presentation to gross presentation, with interest and fees now presented separately.

SEK million	Stage 1	Stage 2	Stage 3	Amount
Provision for credit losses, 1 Jan 2024	**75**	**64**	**790**	**929**
New financial assets	80	7	48	**135**
Derecognised financial assets	-12	-6	-286	**-304**
From stage 1 to stage 2	-4	25	-	**21**
From stage 1 to stage 3	-28	-	347	**319**
From stage 2 to stage 1	1	-7	-	**-6**
From stage 2 to stage 3	-	-63	152	**89**
From stage 3 to stage 1	-	-	-2	**-2**
From stage 3 to stage 2	-	-	-	**-**
Changes in risk factors (PD, EAD, LGD)	-12	-3	39	**24**
Changes due to expert assessments (individual assessments, manual adjustments) *	57	23	193	**273**
Interest and fees	-	-	10	**10**
Exchange-rate differences	1	1	2	**4**
Provision for credit losses, 31 Dec 2024	**158**	**41**	**1,293**	**1,492**

* Expert adjustments are applied to the provisioning model for both Business to Business and Business to Consumer, developed for statutory reporting purposes in accordance with IFRS 9 accounting principles.

** Stage 3 has been reclassified from net presentation to gross presentation, with interest and fees now presented separately.

FORWARD LOOKING INFORMATION

For a forward-looking assessment of expected credit losses, Avida uses forecasted macro assumptions from external sources. In connection with the development of Avida's models for the calculation of future losses, the company has found that the previous macro models used in the models did not significantly predict changes in credit losses. These models have therefore not been used during the end of 2025, but new development is ongoing during the first half of 2026. In the meantime, Avida's provisioning committee has based its work on the existing macro assumptions and made an expert assessment of the impact of macroeconomic developments on future credit losses.

SCENARIOS	Pessimistic			**Baseline scenario**			Optimistic		
	2026	2027	2028	**2026**	**2027**	**2028**	2026	2027	2028
Sweden									
Unemployment	9.6%	9.1%	9.1%	8.5%	8.0%	8.0%	7.4%	6.8%	6.8%
Interest rate	2.9%	3.3%	3.4%	1.9%	2.1%	2.1%	0.8%	1.0%	0.8%
Norway									
Unemployment	3.9%	3.7%	3.8%	3.3%	3.1%	3.1%	2.6%	2.4%	2.3%
Interest rate	5.1%	5.2%	5.1%	3.8%	3.8%	3.8%	2.5%	2.3%	2.3%
Finland									
Unemployment	10.8%	10.1%	10.1%	9.4%	8.7%	8.7%	9.3%	8.6%	8.6%
Interest rate	3.3%	3.7%	3.7%	2.0%	2.3%	2.3%	0.7%	0.8%	0.8%

SENSITIVITY ANALYSIS LGD

When assessing the need for impairment of loan receivables, the most critical assessment is estimating the loss given a default ("LGD"). LGD is the expected credit loss with respect to future recoveries and realisation of collateral.

The table below illustrates the effect on key ratios of a percentage change in LGD of one per cent on overdue receivables in Stage 3. The selected sensitivity analysis of 1% is intended to provide reasonable guidance as to the magnitude of any changes in LGD. Avida conducts sensitivity analysis for Stage 3 only when it has the greatest impact from an amount perspective.

	Financial measure	Change	31 Dec 2025	31 Dec 2024
Change in LGD	Profit/loss before tax	+/- 1 %	11	12
	Equity	+/- 1 %	8	10

NOTE 15 INTANGIBLE ASSETS

	31 dec 2025	31 dec 2024
Opening acquisition value	163	115
This year's investments	-	79
This year's decommissioned	-14	-31
Intangible assets	**149**	**163**
Opening accumulated depreciations and impairments	-66	-59
Depreciation for the year	-13	-8
Impairments	-32	-
Recovery of depreciation	14	-
Decommissioned intangible assets	**-97**	**-66**
Closing carrying amount	**52**	**97**

Intangible assets consist of capitalised development costs and acquired software, as well as intellectual property rights.

NOTE 16 TANGIBLE ASSETS

	31 dec 2025	31 dec 2024
Opening acquisition value	25	23
This year's investments	1	2
Anskaffningsvärde	**26**	**25**
Opening accumulated depreciations and impairments	-20	-18
Depreciation for the year	-2	-2
Closing depreciation	**-22**	**-20**
Closing carrying amount	**4**	**5**

Tangible assets consist of computers and office furniture.

NOTE 17 LEASING

Avida Finans AB (publ) has chosen to apply the exemptions in RFR 2 in the accounts. IFRS 16 Lease contracts thus do not affect the company. All lease contracts are reported in accordance with the rules on operational leasing. Costs for lease contracts are reported on an ongoing basis when they arise. Avida's lease contracts consists of rental of office premises. Avida's obligations regarding lease contracts are presented below.

LEASE CONTRACT OBLIGATIONS	31 dec 2025	31 dec 2024
Year 1-5	20,452	27,349
Year 5 and beyond	-	-
Total	**20,452**	**27,349**

NOTE 18 OTHER ASSETS

	31 dec 2025	31 dec 2024
Tax account	38	13
Fund liquid receivable	16	31
Endowment insurance	2	2
Deposits and collateral	34	3
Other receivables	6	35
Total	**97**	**83**

NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

	31 dec 2025	31 dec 2024
Prepaid rent	2	2
Prepaid other costs	33	13
Accrued income	3	3
Total	**37**	**18**

NOTE 20 DEPOSITS AND LENDING FROM THE PUBLIC

	31 dec 2025	31 dec 2024
Deposits from the public, SEK	4,723	4,947
Deposits from the public, other currencies	5,357	5,998
Total	**10,080**	**10,945**

NOTE 21 OTHER LIABILITIES

	31 dec 2025	31 dec 2024
Accounts payable	53	21
Fund liquid liability	16	15
Derivative debt	-	3
Withholding tax on savings account	38	49
Debts to employees	19	16
Other liabilities	47	28
Total	**173**	**131**

In the above note, the company has not specified the division of the liabilities. Other liabilities have been divided into Liabilities to employees and Other liabilities.

NOTE 22 ACCRUED EXPENSES AND PREPAID INCOME

	31 dec 2025	31 dec 2024
Accrued personnel costs	20	22
Other accrued costs	53	65
Prepaid income	18	17
Total	**90**	**104**

NOTE 23 PROVISIONS

	31 dec 2025			31 dec 2024		
	Provisions for pensions	Other provisions	Total	Provisions for pensions	Other provisions	Total
Opening balance	2	-	2	1	3	4
Provisions	-	252	252	1	-3	-2
Value changes	-	-	-	-	-	-
Total	**2**	**252**	**254**	**2**	**-**	**2**

Provisions for the year relate to the agreement for significant risk transfer that the company entered into on 12 August 2025 with SONA. The legal term of the agreement is 15 years. Depending on the underlying portfolio performance, the amount may be reduced in the future.

NOTE 24 SUBORDINATED DEBT

Instrument	ISIN	Cur-rency	Date of issue	Due date	Interest rate %	Nominal value	2025	2024
Avida Finans AB 23/34 FRN C SUB	SE0020539765	SEK	2023-10-27	2034-01-27	STIBOR 3M + 9,25	250	250	245
Total							**250**	**245**

In 2023, Avida issued subordinated bonds of a nominal amount of SEK 250 million. In connection with the issue, previously outstanding subordinated bonds of the same amount were repurchased. The first option for redemption of the outstanding bonds is in January 2034. Bondholders may require early repayment if certain predefined covenants are broken. Avida will repay the nominal amount including any accrued interest at maturity.

In 2025, subordinated debt costs amounted to SEK 31 million (SEK 33 million in 2024).

NOTE 25 EQUITY

As of 31 December 2025, the number of shares in Avida Finans AB (publ) amounts to 138,375,914 with a quota value per share of 0.18.

NUMBER OF SHARES	31 Dec 2025	31 Dec 2024
Opening balance	80 658 696	80 658 696
Rights issue	57 717 218	-
Closing balance	**138 375 914**	**80 658 696**
Of which shares series A	80 658 696	80 658 696
Of which shares series B	57 717 218	-

The warrants issued at the Extraordinary General Meeting on 16 December 2024, which gave the right to subscribe for new shares in the company during the period from the date of registration with the Swedish Companies Registration Office of the issue decision up to and including 31 December 2030, have been fully exercised as of 5 August and increase the company's share capital by SEK 10,467,816.71 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 16 December, the Board of Directors decided to allocate 4,000,000 warrants in total, of which 2,000,000 were allocated to Midelfart Capital AS and 2,000,000 were allocated to Andenes Investments S.L. All warrants have been exercised as of the end of 2025. Shares in Avida may be issued in two classes of shares, Class A and Class B. Shares of Class A carry one (1) vote per share and shares of Class B carry one tenth (1/10) vote per share.

The number of shares of each type may not exceed the total number of shares in the company. The number of shares in the company shall be at least 60,000,000 and at most 240,000,000.

A Tier 1 capital instrument is defined as an equity instrument if it entails a residual right in an entity's assets after deduction of all its liabilities in accordance with paragraph 11 of IAS 32.

Furthermore, the conditions a and b under paragraph 16 of IAS 32 are required to be met.
The Tier 1 capital instrument issued by Avida meets the classification for Tier 1 capital instruments according to the CRR.

Instrument	ISIN	Currency	Issue date	Term	Rate %	Nominal amount	2025	2025
Avida Finans AB 19/PERP FRN C HYBRID	SE0022241477	SEK	2024-07-08	Perpetual	STIBOR 3M + 13,00	200	200	200
Total							**200**	**200**

NOTE 26 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

31 dec 2025	Financial assets&liabilities valued at fair value through income statement	Financial assets valued at fair value through other comprehensive income	Total Carrying amount	Total fair value
Cash and balances with central banks		76	76	76
Mortgageble govern bonds		1,312	1,312	1,310
Lending to credit institutions		1,375	1,375	1,375
Lending to the oublic		10,326	10,326	10,326
Derivatives	7		7	7
Other assets	2	16	16	16
Total assets	**10**	**13,105**	**13,115**	**13,112**
Lending from credit institutions		915	915	915
Deposits from the public		10,080	10,080	10,080
Derivatives	-	-	-	-
Other liabilities		94	94	94
Subordinated debt		250	250	250
Total financial liabilities	**-**	**11,338**	**11,339**	**11,339**

The carrying amount does not deviate significantly from the fair value as Avida has no fixed-rate agreements.

31 dec 2024	Financial assets & liabilities valued at fair value through income statement	Financial assets valued at fair value through other comprehensive income	Total Carrying amount	Total fair value
Cash and balances with central banks		80	80	80
Mortgageble govern bonds	162	930	1,092	1,115
Lending to credit institutions		2,690	2,690	2,690
Lending to the public		12,283	12,283	12,283
Derivatives	4		4	4
Other assets	2	31	33	33
Total assets	**168**	**16,014**	**16,182**	**16,205**
Lending from credit institutions		3,226	3,226	3,226
Deposits from the public		10,945	10,945	10,945
Derivatives	3		3	3
Other liabilitie		55	55	55
Subordinated debt		250	250	250
Total financial liabilities	**3**	**14,476**	**14,479**	**14,479**

The carrying amount does not deviate significantly from the fair value as Avida has no fixed-rate agreements.

DISCLOSURES ON VALUATION AT FAIR VALUE

Avida measures certain financial instruments at fair value. Below is information on fair value measurement per level according to the valuation hierarchy in IFRS 13.

Level 1) Listed prices (unadjusted) on active markets for identical assets or liabilities
Level 2) Observable data for the asset or liability other than listed prices included in level 1, either directly (i.e. as price quotes) or indirectly (i.e. derived from price quotes).
Level 3) Data for the asset or liability that is not based on observable market data.

The assets measured at fair value relate to currency derivatives, endowment insurance and a money market fund containing high-quality assets.

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

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

For financial instruments that are listed on an active market, fair value is determined on the basis of the asset's quoted purchase price on the balance sheet date, without the addition of transaction costs at the time of acquisition. A financial instrument is considered to be listed on an active market if quoted prices are readily available on a stock exchange, from a trader, broker, bank, etc. and these prices represent actual and regularly occurring market transactions on commercial terms.

Fair values for derivative instruments in the form of foreign exchange futures are based on input data from an external commercial bank. The fair value of the fund is based on input data on prices in the underlying assets from an external commercial bank. For valuation of financial assets and liabilities in foreign currency, exchange rates are obtained from an external commercial bank.

31 Dec 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Derivatives		7		**7**
Other financial assets		2		**2**
Total assets		**10**		**10**
Financial liabilities				
Derivatives		-		**-**
Total liabilities		**-**		**-**

31 dec 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Mortgageable Government Bonds	162			**162**
Derivatives		4		**4**
Other financial assets		2		**2**
Total assets	**162**	**6**		**168**
Financial liabilities				
Derivatives		3		**3**
Total liabilities		**3**		**3**

NOTE 27 CAPITAL ADEQUACY

The information in this note refers to such information to be provided in accordance with FFFS 2008:25, including all applicable amendment regulations, on annual accounts in credit institutions and securities companies and in accordance with FFFS 2014:12, including all applicable amendment regulations, on prudential requirements and capital buffers. Other disclosures required under FFFS 2014:12 and Regulation (EU) No 575/2013 are reported in the Avida Pillar 3 Report, which is published on www.avida.se.

The effect of CRR III for Avida has resulted in a decrease in the risk-weighted exposure amount for operational risk.

INFORMATION ON CAPITAL BASE AND CAPITAL REQUIREMENT

For the determination of Avida's statutory capital requirements, the primarily applicable regulations are Regulation (EU) No 575/2013 of the European Parliament and of the Council and the Act on capital buffers (2014:966). The purpose of the rules is to ensure that Avida manages its risks and protects customers. capital base must cover the capital requirement including the minimum capital requirement according to Pillar 1 for credit risk, market risk and operational risks, the special capital base requirement and the total buffer requirement.

CAPITAL RATIO AND CAPITAL BUFFERS

Avida's strategy for capital management is to hold capital that exceeds the minimum level by a sufficient margin, including total buffer requirements. Regulation (EU) No 575/2013 of the European Parliament and of the Council requires credit institutions to maintain at least 4.5 % Common Equity Tier 1 capital, 6 % Tier 1 capital and 8 % Total capital in relation to the risk-weighted exposure amount.

Credit institutions are also required to maintain certain capital buffers. Avida currently has an obligation to maintain a capital conservation buffer of 2.5 % and a countercyclical buffer of 1.7 % of the total risk-weighted exposure amount.

In Avida's biggest markets, the countercyclical buffer requirement was 2 % in Sweden, 2.5 % in Norway and 0 % in Finland as of December 31, 2025.

INTERNALLY ASSESSED CAPITAL REQUIREMENT

The internal capital and liquidity assessment (ICAAP/ILAAP) is carried out at least on an annual basis. As of 31 December 2025, the internally assessed capital requirement amounted to SEK 99 (155) million. The internal capital requirement in Pillar 2 is considered to consist of credit concentration risk, interest rate risk in the bank book and business risk, including credit spread risk.

LIQUIDITY NEEDS

As a credit market company, Avida is subject to regulations and legislation with regard to liquidity requirements. Avida complies with the rules of the Swedish Financial Supervisory Authority for managing liquidity risk in accordance with regulations (FFFS 2010:7) on managing liquidity risks. Avida has an obligation to maintain a separate reserve of high-quality assets that can be used to secure the short-term ability to pay in the event that funding sources are no longer available. The assets in the liquidity reserve consist of deposits with central banks, bonds issued by states and municipalities and short-term lending to banks. In accordance with the supervisory Regulation (EU) No 575/2013 and the European Commission Delegated Regulation (EU) 2015/61, Avida Finans AB (publ) reports the liquidity coverage ratio (LCR) monthly and stable net financing (NSFR) quarterly.At year-end, the short-term liquidity coverage ratio (LCR) was 216.6 %, compared to the regulatory ratio of 100 %. The stable net financing ratio (NSFR) was 122.9 %, compared to the regulatory ratio of 100 %.

LEVERAGE RATIO

The leverage ratio is a non-risk sensitive capital requirement that specifies the size of equity in relation to the company's total assets, including off-balance sheet items. Avida has a regulatory minimum requirement that the leverage ratio requirement exceed three per cent and reports the leverage ratio quarterly to the Swedish Financial Supervisory Authority.

	31 dec 2025	31 dec 2024
CAPITAL RATIOS AND CAPITAL BUFFERS, %		
Common Equity Tier 1 capital ratio	16.6%	12.6%
Primary capital ratio	19.1%	14.3%
Total capital ratio	22.3%	16.4%
Total Tier 1 capital requirement including buffer requirement	8.7%	8.7%
of which: requirement for capital conservation buffer	2.5%	2.5%
of which: requirement for countercyclical buffer	1.7%	1.7%
Tier 1 capital available to use as a buffer	12.1%	8.1%

	31 dec 2025	31 dec 2024
SPECIFIKATION OF CAPITAL BASE		
Capital instruments and associated share premium reserve	2,010	2,000
Retained earnings and reserves	-650	-470
Regulatory adjustments:		
Intangible assets	21	32
Securitisation positions	38	-
Deferred tax assets	1	1
Total common equity tier 1 capital	**1,301**	**1,498**
Perpetual subordinated loans	200	200
Total other Tier 1 capital	**200**	**200**
Total primary capital	**1,501**	**1,698**
Capital instruments and associated premium funds: Time bound subordinated loans	250	250
Total supplementary capital	**250**	**250**
Total own funds	**1,751**	**1,948**
SPECIFICATION OF RISK EXPOSURE AMOUNT (REA)		
Exposures to central banks and local authorities	3	9
Institution exposures	290	559
Corporate exposures	1,862	1,352
Retail exposures	3,905	7,063
Exposures in default	562	1,127
Equity exposures	10	-
Items representing securitisation positions	327	-
Other items	72	117
Total risk exposure amount and capital requirements	**7,031**	**10,227**
Foreign exchange rate risk	100	61
Basic indicator approach	714	1,569
Total risk-weighted exposure amount	**7,845**	**11,857**
SPECIFICATION OF CAPITAL REQUIREMENTS (8 % OF REA)		
Exposures to central banks and local authorities	-	1
Institution exposures	23	45
Corporate exposures	149	108
Retail exposures	312	565
Exposures in default	45	90
Equity exposures	1	-
Items representing securitisation positions	26	-
Other items	6	9
Total risk exposure amount and capital requirements	**562**	**818**
Foreign exchange rate risk	8	5
Operational risk	57	126
Total capital requirement - Pillar 1	**628**	**949**

	31 dec 2025	31 dec 2024
Credit concentration risk	70	110
Interest rate risk in banking book	24	43
Other additional capital requirements	5	2
Total additional capital requirements Pillar 2	**99**	**155**
Capital conservation buffer	196	296
Countercyclical buffer	130	197
Total capital requirements - Capital buffers	**326**	**494**
Total capital requirement	**1,052**	**1,597**
CAPITAL BASE REQUIREMENT AS A PERCENTAGE OF RISK WEIGHT EXPOSURE AMOUNT		
Pillar 1	8.0%	8.0%
Pillar 2	1.3%	1.3%
Capital conservation buffer	2.5%	2.5%
Institute-specific countercyclical buffer	1.7%	1.7%
Total capital base requirement	**13,4%**	**13.5%**
GROSS SOLVENCY		
Exposure measures for calculation of leverage ratio	14,575	17,615
Tier 1 capital	1,501	1,698
Leverage ratio	**10.3%**	**9.6%**
Leverage ratio requirement	437	528
Leverage ratio requirement	3%	3%

TEMPLATE EU KM1 - KEY METRICS

		31 dec 2025	30 jun 2025	31 dec 2024
Available own funds (amount)				
1	Common Equity Tier 1 (Tier 1)	1,301	1,297	1,498
2	Tier 1 capital	1,501	1,497	1,698
3	Total Capital	1,751	1,747	1,948
Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount	7,845	9,608	11,857
4a	Total risk exposure pre-floor	7,845	9,608	11,857
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 capital ratio (%)	16.6%	13.5%	12.6%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	16.6%	13.5%	12.6%
6	Tier 1 ratio (%)	19.1%	15.6%	14.3%
6b	Tier 1 ratio considering unfloored TREA (%)	19.1%	15.6%	14.3%
7	Total capital ratio (%)	22.3%	18.2%	16.4%
7b	Total capital ratio considering unfloored TREA (%)	22.3%	18.2%	16.4%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)				
EU 7g	Total SREP own funds requirements (%)	8.0%	8.0%	8.0%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	1.7%	1.6%	1.7%
11	Combined buffer requirement (%)	4.2%	4.1%	4.2%
EU 11a	Overall capital requirements (%)	12.2%	12.1%	12.2%
12	CET1 available after meeting the total SREP own funds requirements (%)	12.1%	9.0%	8.1%
Leverage ratio				
13	Leverage ratio total exposure measure	14,575	14,811	17,615
14	Leverage ratio (%)	10.3%	10.1%	9.6%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)				
EU 14c	Total SREP leverage ratio requirements (%)	3.0%	3.0%	3.0%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14e	Overall leverage ratio requirement (%)	3.0%	3.0%	3.0%
Liquidity coverage ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	1,093	1,360	1,131
16	Total net cash outflows (adjusted value)	505	433	556
16a	Cash outflows - Total weighted value	2,019	1,730	2,225
16b	Cash inflows - Total weighted value	2,496	2,050	3,579
17	Liquidity coverage ratio (%)	216.6%	314.4%	203.4%
Net Stable Funding Ratio				
18	Total available stable funding	11,000	11,112	13,334
19	Total required stable funding	8,949	9,132	11,729
20	NSFR ratio (%)	122.9%	121,7%	113.7%

NOTE 28 CONTINGENT LIABILITIES AND COMMITMENTS

	31 dec 2025	31 dec 2024
Contingent liabilities		
Pledges and other comparable securities provided for own liabilities and for obligations recognized as provisions.		
Other pledged collateral and comparable securities (1)	3	1
Contingent Liabilities		
Guarantees and similar commitments		
Other Commitments (2)	12,130	11,284
Total contingent liabilities	**12,133**	**11,285**

1) Rental Deposit

2) Commitments as of the balance sheet date refer to unused loan commitments to customers.

NOTE 29 RELATED PARTY TRANSACTIONS

On 16 December, the Board of Directors decided to allocate 4,000,000 warrants in total, of which 2,000,000 were allocated to Midelfart Capital AS and 2,000,000 were allocated to Andenes Investments S.L. All warrants have been exercised as of the end of 2025.

Information on remuneration for senior executives is available in Note 8 Staff costs.

There are no loans to senior executives except for issued credit cards with smaller limits on market terms. All transactions between Avida Finans AB (publ) and its branches have been taken place on market terms.

All intra-company transactions, receivables and liabilities are eliminated in the accounts.

As at 31 December, the Company had outstanding factoring exposures of SEK 208 million to end customers acquired from a company controlled by KKR. All transactions were conducted on arm's length terms.

NOTE 30 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Lisbeth Alinentalo (Chief Risk Officer) has left her position as of January. Tor Briseid (Chief Compliance Officer) has been appointed temporary Chief Risk Officer while new recruitment is underway.

The Swedish Financial Supervisory Authority is currently conducting an SREP. Avida is still awaiting the final decision of the Pillar 2 guidance, with a potential outcome within the range of 0.0-5.0 %.

Avida has replaced Grant Thornton Sweden as internal auditor with EY Sweden from 1 January 2026. Otherwise, no events of a material nature that deviate from the company's normal operations have occurred since the end of December.

The attack initiated by the US and Israel against Iran, which began at the end of February with an impact on both oil prices and stock exchanges, has as of now not directly affected Avida or Avida's customers. However, continued uncertainty is never good for financial stability and, based on how long this conflict lasts, with a direct impact on different asset classes and a negative impact on our and our customers' overheads, this may have a negative impact on Avida and our customers. Avida monitors developments on an ongoing basis and is prepared to act if necessary.

NOTE 31 APPROPRIATION OF PROFITS

According to the balance sheet, the following unappropriated earnings are at the disposal of the Annual General Meeting:	SEK
Other contributed capital	200,000,000
Retained earnings	1,459,175,838
Profit/loss for the year	-153,141,481
Total available profits for allocation	**1,506,034,358**
The Board of Directors proposes that unappropriated earnings be distributed as follows:	
To be carried forward	**1,506,034,358**

SIGNATURE OF THE BOARD AND CEO

The Board of Directors and the CEO certify that the Annual Report has been prepared in accordance with generally accepted accounting practices in Sweden. The Annual Report gives a true and fair view of the company's position and results. It is further assured that the Management Report for the Parent Company and the Group respectively provide a fair overview of the development of the Parent Company's and the Group's operations, position and earnings and describes significant risks and uncertainties faced by the Parent Company and the companies in the Group.

THE ANNUAL REPORT IS DATED APRIL 27 2026.

STOCKHOLM, APRIL 27 2026

Magnus Lindquist, Chairman of the Board

Mikael Johansson, CEO

Celina Midelfart, Member

Geir Olsen, Member

Vaibhav Piplapure, Member

Johan Roos, Member

John Stein, Member

Our auditor's report was submitted on April 27,2026
Deloitte AB

Patrick Honeth, Authorised public accoutant

DEFINITIONS

Alternative Performance Measures (APM) 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 Fourth Capital Requirements Directive (CRD IV) or in the EU Capital Requirements Regulation No. 575/2013 (CRR). Avida Finans AB (publ) uses alternative performance measures when relevant to follow up and describe the bank´s financial position and increase comparability between the periods. These do not have to be comparable with similar key ratios presented by other companies.

ALTERNATIVE PERFORMANCE MEASURES

RETURN ON EQUITY
Net profit/loss divided by average equity.

RETURN ON TOTAL ASSETS
Net profit for the period in relation to total assets as of the balance sheet date. Reported annually in accordance with FFFS 2008:25.

C/I RATIO
Total operating expenses divided by total operating income,

CREDIT LOSS LEVEL
Net credit losses in relation to average lending to the public.

RISK-ADJUSTED OPERATING INCOME
Operating income less credit losses.

NET INTEREST MARGIN
Net interest income divided by average lending to the public.

KEY RATIOS DEFINED IN CAPITAL ADEQUACY AND LIQUIDITY REGULATIONS

LEVERAGE RATIO
Total exposure amount in relation to Tier 1 capital.

CAPITAL BASE
The sum of primary and supplementary capital minus deductions under the Capital Requirements Regulation (EU) No 575/2013.

COMMON EQUITY TIER 1 CAPITAL 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 flow over a 30-day period.

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

RISK EXPOSURE AMOUNT
The value of the exposure multiplied by its risk weight, for on-balance sheet and off-balance sheet exposures.

NET STABLE FUNDING RATIO, NSFR
Available stable financing in relation to the required stable funding.

TOTAL CAPITAL RATIO
Capital base divided by the total risk-weighted exposure amount.

AUDITOR'S REPORT

To the general meeting of the shareholders of Avida Finans AB (publ) corporate identity number 556230-9004

REPORT ON THE ANNUAL ACCOUNTS

OPINIONS

We have audited the annual accounts of Avida Finans AB (publ) for the financial year 2025. The annual accounts of the company are included on pages 6-11 and 18-58 in this document.
In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Avida Finans AB (publ) as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance.

Our opinions in this report on the the annual accounts are consistent with the content of the additional report that has been submitted to the parent company's board of directors in accordance with the Audit Regulation (537/2014) Article 11.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Avida Finans AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

KEY AUDIT MATTERS

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual, but we do not provide a separate opinion on these matters.

Valuation of loan receivables

Recognition and measurement of loan receivables is an area with significant impact on Avida Finans's business and financial reporting. IFRS 9 is a complex accounting standard that requires significant judgement to determine the loan loss provision.

Key areas of judgment include:

- The interpretation of the requirements to determine loan loss provisions under application of IFRS 9, which is reflected in Avida Finans's expected credit loss model.
- The identification of exposures with a significant deterioration in credit quality.
- Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows and forward-looking macroeconomic factors.

At December 31, 2025, loans to the public amounted to SEK 10 326 million, with loan loss provisions of SEK 1 359 million. Given the significance of loans to the public, the impact from the inherent uncertainty and subjectivity involved in assessing loan loss provisions, as well as the extensive disclosures required under IFRS 9, we consider this a key audit matter for our audit.

Refer to critical judgments and estimates in note 2, disclosures of credit risk in note 3 and lending to the public in note 14.

Our audit procedures included, but were not limited to:

- We evaluated key controls within the loan loss provision process to verify if they are appropriately designed and implemented during the year; including process for approval of significant reserves for expected credit losses.

- We assessed, supported by our credit risk modelling specialists, the modelling techniques and model methodologies against the requirements of IFRS 9. We assessed the sufficiency the underlying models developed for loan loss provisions.

- We have audited a selection of loans with identifiable worsened credit to evaluate the reasonableness in the Company's judgement of the loan loss provision for these loans.

- We assessed the completeness and accuracy of the disclosures relating to loan loss provision to assess compliance with disclosure requirements included in IFRS.

IT-systems that support complete and accurate financial reporting.

Avida Finans relies on IT systems to ensure completeness and accuracy of financial transactions and to support the overall internal control framework. The financial reporting is dependent on several systems. Many of Avida Finans's internal controls over financial reporting are dependent on automated system controls with regard to completeness and integrity in reports generated by IT systems. Given the high dependence on IT, we consider this a key audit in our audit.

Following risks are identified:

- Incorrect and unauthorised changes in the IT-environment
- Lack of operating- and monitoring routines of the IT-environment
- Incorrect and insufficient configurations of information security

Our audit procedures have included but not been limited to:

- We have reviewed management's change controls in the IT-environment.
- We have reviewed the process for IT system monitoring.
- We have reviewed the identity and access rights process, including assigning, changing and removing permissions.
- We have evaluated the processes and tools to ensure accessibility to information based on user needs and business requirements, including back-up of information and that read-back routines are appropriately designed.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS

This document also contains other information than the annual accounts and is found on 1-5 and 12-17. The Board of Directors and the Managing Director are responsible for this other information. Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.
The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.
The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

A further description of our responsibilities for the audit of the annual accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Avida Finans AB (publ) for the financial year 2025 and the proposed appropriations of the company's profit or loss.
We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Avida Finans AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Banking and Financing Business Act, the Annual Accounts Act for Credit Institutions and Securities Companies or the Articles of Association

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Deloitte AB was appointed auditor of Avida Finans AB (publ) by the general meeting of the shareholders on the on June 4th, 2025 and has been the company's auditor since May 31, 2019.

Stockholm, April 27 2026

Deloitte AB

Signature on Swedish original.
This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Patrick Honeth
Authorised public accountant

AVIDA

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