

INTERIM REPORT

JANUARY-JUNE

2024

AVIDA FINANS AB
(PUBL) 556230-9004

AVIDA

STATEMENT BY THE CEO



TRANSFORMATION ON TRACK BUT DEMANDING SHORT TERM

Avida's turnaround is demanding, and the investment required to strengthen vital functions and operations to improve performance are having a near-term impact. We are on the right track, and we have historically proven our ability to shape disruptive concepts and we are confident that our transformation will deliver positive returns. During the second quarter we continued the upgrade of our credit risk model framework to strengthen performance of new origination. Our work to decrease portfolio risk has begun to take effect in the last few quarters with the probability of default among newer customers declining consistently. Reflecting the macro sentiment, in the short term we will continue to take a conservative approach to new origination, which will delay the reversal of the contracting loan book.

Within our business finance division, we've focused on our factoring first strategy, where factoring services are supplemented with corporate loans, with continued positive effect. During the quarter, we have welcomed several new business customers who will start generating new volumes in the coming quarters.

During the last quarter we also called our AT1 bond as planned, despite challenging market conditions.

With lower volumes, increased costs, and credit losses still at an elevated level, the result for second quarter before tax was SEK - 55,8 million.

NEW PLATFORMS FOR GROWTH

We completed the final migration of our consumer platform during the quarter and are now closing old systems, taking full advantage of scalability of the new platform and increased product related capabilities.

We continue to deliver on our strategic roadmap aiming to expand our product offering, and with development of our new card platform in its final stage, we are soon ready to launch our customer value proposition together with our partners.

After noting that our business finance platform was lacking in digitization and reach, we took action. In Q2 we finalized the first phase of migration to our new system. The final steps will be taken during Q3 and with that done we will be able to deliver next generation factoring services, a modern customer facing interface and a scalable and cost-efficient system for the future.

HIGHER COSTS, IMPROVED NET INTEREST INCOME

The investment in technical capacity and a more efficient operation will deliver an organization that can fully execute on our strategic plan, but also comes with a short-term price tag. During the quarter, costs increased slightly and remain at an elevated level compared to previous quarters. We will continue to invest in the business at a somewhat elevated level but at the same time we have implemented cost saving actions in selected areas which we expect to take effect during Q4 this year.

Net interest income increased during the quarter compared to the last one. This is partly due to increased volume and increased overall pricing.

NEW PRODUCTS COMING

At Avida our mission is to offer insightful and cost-efficient financial solutions. Today we have the personnel and technical conditions in place to be able to offer a wider, more modern and more customer-oriented product range. As we are taking the final steps to upgrade both our consumer and commercial business to new modern platforms, we are well equipped to both deliver on our promise and scale up our business properly.

Stockholm August 30th, 2024

Tine Wollebek
CEO

QUARTERLY REVIEW

INCOME STATEMENT

| SEK million | Quarter 2 2024 | Quarter 1 2024 | Quarter 4 2023 | Quarter 3 2023 | Quarter 2 2023 | Full year 2023 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net interest income | 187.0 | 172.2 | 192.2 | 219.7 | 224.1 | 863.5 |
| Total operating income | 190.3 | 177.0 | 207.5 | 226.2 | 234.0 | 901.1 |
| Total operating expenses | -121.3 | -113.5 | -108.3 | -88.6 | -81.1 | -370.0 |
| Credit losses, net | -124.8 | -131.7 | -98.6 | -136.5 | -140.3 | -513.1 |
| Profit/loss before tax | -55.8 | -68.2 | 0.7 | 1.0 | 12.6 | 18.6 |
| Net profit or loss for the period | -55.7 | -66.9 | -2.9 | 3.9 | 9.6 | 14.1 |

BALANCE SHEET

| SEK million | 30 June 2024 | 31 Mar 2024 | 30 June 2023 |
|--------------------------|--------------|-------------|--------------|
| Loans to the public | 10 445.5 | 10 545.4 | 12 058.7 |
| Deposits from the public | 11 358.4 | 10 789.9 | 12 348.0 |
| Equity | 1 450.9 | 1 513.6 | 1 608.5 |

KEY RATIOS

| SEK million | Quarter 2 2024 | Quarter 1 2024 | Quarter 4 2023 | Quarter 3 2023 | Quarter 2 2023 | Full year 2023 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Net interest margin (%) | 7.33% | 6.56% | 6.85% | 7.32% | 7.43% | 7.32% |
| C/I ratio | 0.64 | 0.64 | 0.52 | 0.39 | 0.35 | 0.40 |
| Return on equity (%) | NEG | NEG | NEG | 0.97% | 2.54% | 0.97% |
| CET1 ratio (%) | 11.70% | 12.48% | 13.14% | 12.45% | 12.43% | 12.45% |
| Loss ratio (%) | 4.86% | 5.0% | 3.51% | 4.55% | 4.65% | 4.55% |

The figures in the quarterly overview have previously referred to the Avida Group. After the liquidation of the subsidiary Avida Norge AS during fourth quarter 2023, Avida no longer prepares consolidated accounts. The figures above, including comparables, therefore refer to Avida Finans AB (publ).

For more information on key ratios, see Definitions.

FINANCIAL DEVELOPMENT DURING THE SECOND QUARTER 2024

Comparative figures for the income statement pertain to the first quarter of 2024. Comparative figures for balance sheet items pertain to 31 December 2023.

Significant events during the quarter

The quarter was characterised by restricted new lending and the implementation of new credit assessment models. At the end of the second quarter, a new model for Norway was implemented. Models already introduced for Sweden and Finland show improvement in the quality of credit for new lending. Avida has continued to adapt the organisation and has reduced the number of employees in the Consumer Finance business unit. This is expected to have effect in the fourth quarter of 2024.

INCOME STATEMENT

Operating income

Interest income for the quarter amounted to SEK 304.2 (288.1) million. In the Consumer Finance division, Avida has continued to conservatively manage new lending. However, lending volume increased during the end of the quarter amounting to 7,649.8 (7,597.5) million, with increased net interest income of SEK 127.1 (115.4) million. Income from factoring and corporate loans increased compared to the previous quarter and amounted to SEK 85.5 (83.0) million, compared to the first quarter of 2024. Income increased by SEK 13.3 million for the second quarter compared to the first quarter.

Interest expense amounted to SEK -150.0 (-103.8) million and was impacted by the increased average lending portfolio in all currencies.

Net interest income for the quarter amounted to SEK 187.0 (172.2) million.

Operating expenses

General administration expense amounted to SEK -118.9 (-111.1) million. The increase was mainly driven by skills enhancement through the recruitment of key personnel and consultancy costs linked to strategic projects.

Credit losses

Net credit losses decreased compared to the first quarter and amounted to SEK -124.8 (-131.7) million. The decrease is mainly related to Corporate Loans SEK 2.0 (-2.2) million. Provisions for credit losses in factoring remained at an expected low level.

Tax expenses

The tax expense for the quarter consists of a translation difference

from the previous reporting periods and is not attributable to the second quarter of 2024.

BALANCE SHEET

Loans to the public

Loans to the public amounted to SEK 10,445.5 million as of June 30, 2024, compared to SEK 10 545.4 million on March 31, 2024. Consumer Finance lending increased as a result of new origination and amounted to SEK 7 597.5 (7 444.7) million.

Deposits

Deposits from the public increased by SEK 568.5 million to SEK 11 358.4 million as of 31 March 2024 (10,930.3). The increase in deposits from the public is primarily due to the development of the loan portfolio and current market rate environment.

Capital and financing

There were no changes in the capital base during the quarter.

OTHER DISCLOSURES

Risks and uncertainties

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

The macroeconomic situation stabilised during the quarter. Policy rates have remained unchanged, while the rate of inflation has continued to decline. Avida has a strong capital and liquidity position, and all deposits are covered by the state's deposit guarantee, which creates a stable funding base.

Borrowing costs are affected by increased market interest rates but can largely be charged in the form of price adjustments to customers. Avida continuously monitors the development of the company's loan portfolio and analyses how any deterioration in the global situation may affect the level of portfolio risk. During the year, Avida has strengthened its focus on factoring, which in the long term will reduce counterparty risk against larger individual credit commitments in corporate lending. In the consumer segment, PSD2 data has been incorporated into credit controls to further reduce risk in new lending.

Credit risk in the liquidity portfolio is assessed as low and investments of surplus liquidity are made in high-quality government and municipal securities. Market risks remain at a stable level as Avida continuously

manages its currency risk through derivatives.

Related-party transactions

During the period, normal business transactions with related parties have occurred. The nature and scope of transactions with related parties has not changed since 31 December 2023 and is presented in the annual report.

Subsequent events

No significant events have occurred after the end of the quarter.

Expected future development

Avida continues to focus on investing in the customer experience and in strengthening the company's readiness for future expansion. This is done through key personnel recruitments and through improved digitalisation, automation and the development of new products. New scorecards in the consumer segment are expected to lead to increased new lending in the coming year, and the partnership with Norwegian and Strawberry gives Avida great opportunities for the future.

Review

This interim report has not been reviewed by the company's auditors.

INCOME STATEMENT

| SEK million | Note | Quarter 2 2024 | Quarter 1 2024 | Quarter 2 2023 | Jan - Jun 2024 | Jan - Jun 2023 | Full year 2023 |
|---|------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Interest income | | 304.2 | 288.1 | 325.8 | 592.3 | 634.0 | 1 287.1 |
| Interest expenses | | -117.2 | -115.4 | -101.6 | -232.6 | -182.4 | -423.6 |
| Net interest income | 4 | 187.0 | 172.7 | 224.2 | 359.7 | 451.6 | 863.5 |
| Net commission income | | 5.1 | 5.3 | 6.2 | 10.3 | 12.0 | 22.0 |
| Net result from financial transactions | | 0.6 | -2.7 | 2.1 | -2.1 | 2.7 | 3.3 |
| Other operating income | | -2.4 | 1.7 | 1.5 | -0.6 | 1.9 | 13.1 |
| Total operating income | | 190.3 | 177.0 | 234.0 | 367.3 | 468.2 | 901.9 |
| General administrative expenses | | -118.9 | -111.1 | -78.5 | -229.9 | -168.6 | -360.9 |
| Depreciation and amortisation of tangible and intangible assets | | -2.4 | -2.4 | -2.2 | -4.8 | -4.4 | -9.1 |
| Total expenses before credit losses | | -121.3 | -113.5 | -80.7 | -234.7 | -173.1 | -370.0 |
| Profit/loss before credit losses | | 69.1 | 63.5 | 153.3 | 132.5 | 295.1 | 532.0 |
| Credit losses, net | 5 | -124.8 | -131.7 | -140.3 | -256.5 | -278.1 | -513.1 |
| Operating profit/loss | | -55.8 | -68.2 | 13.0 | -124.0 | 17.1 | 18.8 |
| Profit/loss before tax | | -55.8 | -68.2 | 13.0 | -124.0 | 17.1 | 18.8 |
| Tax on profit or loss for the period | | 0.1 | 1.3 | -3.1 | 1.4 | -4.0 | -4.7 |
| Profit or loss for the period | | -55.7 | -66.9 | 9.9 | -122.6 | 13.1 | 14.1 |

STATEMENT OF COMPREHENSIVE INCOME

| SEK million | Quarter 2 2024 | Quarter 1 2024 | Quarter 2 2023 | Jan - Jun 2024 | Jan - Jun 2023 | Full year 2023 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Profit or loss for the period | -55.7 | -66.9 | 9.9 | -122.6 | 13.1 | 14.1 |
| Currency rate differences when translating foreign operations | -1.6 | 1.5 | 0.5 | -0.1 | 0.5 | -0.5 |
| Sum of items that may be subsequently reclassified to the income statement | -1.6 | 1.5 | 0.5 | -0.1 | 0.5 | -0.5 |
| Total profit or loss for the period | -57.3 | -65.4 | 10.4 | -122.7 | 13.7 | 13.6 |

STATEMENT OF FINANCIAL POSITION

| SEK million | Note | 30 June 2024 | 31 Mar 2024 | 30 June 2023 |
|--|------|-----------------|-----------------|-----------------|
| ASSETS | | | | |
| Cash and balances with central banks | | 79.4 | 80.6 | 259.2 |
| Treasury bills eligible for repayment | | 785.3 | 837.7 | 848.6 |
| Loans to credit institutions | | 1 635.0 | 991.4 | 1 060.9 |
| Loans to the public | 6 | 10 445.5 | 10 545.4 | 12 057.4 |
| Shares and participations in Group companies | | 0.0 | 0.0 | 2.0 |
| Intangible fixed assets | | 79.0 | 61.2 | 43.6 |
| Tangible assets | | 4.0 | 4.5 | 4.7 |
| Current tax asset | | 49.9 | 39.9 | 51.4 |
| Other assets | | 148.6 | 124.1 | 14.8 |
| Prepaid expenses and accrued income | | 17.4 | 24.2 | 24.3 |
| TOTAL ASSETS | | 13 244.0 | 12 708.9 | 14 366.9 |
| LIABILITIES AND EQUITY | | | | |
| Deposits from the public | | 11 358.4 | 10 789.9 | 12 348.0 |
| Other liabilities | | 106.8 | 86.0 | 88.0 |
| Accrued expenses and prepaid income | | 76.7 | 68.3 | 79.4 |
| Other provisions | | 1.7 | 1.4 | 1.0 |
| Subordinated debt | | 249.6 | 249.6 | 249.7 |
| TOTAL LIABILITIES | | 11 793.1 | 11 195.2 | 12 766.2 |
| EQUITY | | | | |
| Share capital | | 14.6 | 14.6 | 14.6 |
| Other contributed capital | | 1 119.5 | 1,119.5 | 1 119.5 |
| Additional Tier 1 capital | | 200.0 | 199.4 | 198.7 |
| Other reserves | | 69.2 | 50.1 | 30.2 |
| Retained earnings | | 170.2 | 196.6 | 224.6 |
| Profit for the year | | -122.6 | -66.9 | 13.1 |
| TOTAL EQUITY | | 1 450.9 | 1 513.6 | 1 600.7 |
| TOTAL LIABILITIES AND EQUITY | | 13 244.0 | 12 708.9 | 14 366.9 |

STATEMENT OF CHANGES IN EQUITY

| SEK million | Restricted equity | | | | Unrestricted equity | | | | | Total |
|---|-------------------|-------------------|------------------------------|---------------------------|---------------------|---------------------|-------------------|---------------------|----------------|-------|
| | Share capital | Statutory reserve | Development expenditure fund | Additional Tier 1 capital | Premium reserve | Translation reserve | Retained earnings | Profit for the year | | |
| Opening balance 1 Jan 2024 | 14.6 | 1.8 | 56.4 | 199.4 | 1,119.5 | -12.2 | 193.2 | 14.1 | 1,586.9 | |
| Transfer of previous year's net profit/loss | | | | | | | 14.1 | -14.1 | 0.0 | |
| Profit/loss for the year | | | | | | | | -122.6 | -122.6 | |
| Other comprehensive income | | | | | | 0.3 | | | 0.3 | |
| Total comprehensive income | | | | | | 0.3 | | -122.6 | -122.3 | |
| Transfer between restricted and non-restricted equity | | | 22.9 | | | | -22.9 | | 0.0 | |
| Transaction costs on Additional Tier 1 capital | | | | 0.6 | | | | | 0.6 | |
| Interest paid on Additional Tier 1 capital | | | | | | | | -14.3 | -14.3 | |
| Closing balance 31 Mar 2024 | 14.6 | 1.8 | 79.2 | 200.0 | 1,119.5 | -11.9 | 170.2 | -122.6 | 1 450.9 | |

| SEK million | Restricted equity | | | | Unrestricted equity | | | | | Total |
|---|-------------------|-------------------|------------------------------|---------------------------|---------------------|---------------------|-------------------|---------------------|----------------|-------|
| | Share capital | Statutory reserve | Development expenditure fund | Additional Tier 1 capital | Premium reserve | Translation reserve | Retained earnings | Profit for the year | | |
| Opening balance 1 Jan 2023 | 12.8 | 1.8 | 43.2 | 198.0 | 921.6 | -11.6 | 170.8 | 63.3 | 1,399.9 | |
| Transfer of previous year's net profit/loss | | | | | | | 63.3 | 63.3 | | |
| Profit/loss for the year | | | | | | | | 14.1 | 14.1 | |
| Other comprehensive income | | | | | | -0.5 | | | -0.5 | |
| Total comprehensive income | | | | | | -0.5 | | 14.1 | 13.6 | |
| Transfer between restricted and non-restricted equity | | | 13.1 | | | | -13.1 | | | |
| Share issue, net of transaction costs | 1.8 | | | | 197.9 | | | | 199.7 | |
| Transaction costs on Additional Tier 1 capital | | | | 1.3 | | | | | 1.3 | |
| Interest paid on Additional Tier 1 capital | | | | | | | | -27.7 | -27.7 | |
| Closing balance 31 Dec 2023 | 14.6 | 1.8 | 56.4 | 199.4 | 1,119.5 | -12.2 | 193.2 | 14.1 | 1,586.9 | |

| SEK million | Restricted equity | | | Additional Tier 1 capital | Unrestricted equity | | | Total |
|---|-------------------|-------------------|------------------------------|---------------------------|---------------------|-------------------|---------------------|----------------|
| | Share capital | Statutory reserve | Development expenditure fund | | Premium reserve | Retained earnings | Profit for the year | |
| Opening balance 1 Jan 2023 | 12.8 | 1.8 | 39.0 | 198.0 | 923.5 | 273.0 | | 1,409.2 |
| Transfer of previous year's net profit/ loss | | | | | | | | 0.0 |
| Profit/loss for the year | | | | | | | 12.4 | 12.4 |
| Other comprehensive income | | | | | | | 0.1 | 0.1 |
| Total comprehensive income | | | | | | | 12.5 | 12.5 |
| Transfer between restricted and non-restricted equity | | | | | | | | |
| Share issue, net of transaction costs | 1.8 | | | | | 197.7 | | 199.7 |
| Transaction costs on Additional Tier 1 capital | | | | 0.7 | | | | 0.7 |
| Interest paid on Additional Tier 1 capital | | | | | | | -13.2 | -13.2 |
| Closing balance 30 Jun 2024 | 12.8 | 1.8 | 39.0 | 198.3 | 923.5 | 227.7 | 3.2 | 1,608.5 |

CASH FLOW STATEMENT

| SEK million | Jan - Jun 2024 | Full year 2023 | Jan - Jun 2023 |
|---|-------------------|-------------------|-------------------|
| Operating activities | | | |
| Operating profit/loss | -124.0 | 18.8 | 16.3 |
| <i>Adjustment for items not included in cash flow</i> | | | |
| Depreciation and amortisation of tangible and intangible assets | 4.8 | 9.1 | 8.4 |
| Provisions for credit losses | 131.7 | 513.1 | 278.1 |
| Unrealised changes in assets and liabilities | 2.7 | -3.3 | -6.2 |
| Write-down of shares in subsidiary upon liquidation | - | -2.0 | - |
| Gain on liquidation of shares in subsidiary | - | -6.7 | - |
| Other non-cash items | -3.3 | -3.2 | -3.7 |
| Income tax paid | -21.3 | -2.3 | -20.5 |
| Cash flow from operating activities before changes in operating assets and liabilities | -9.4 | 523.5 | 272.3 |
| Increase (-)/decrease (+) in loans to the public | -61.4 | 1,344.4 | 38.0 |
| Increase (-)/decrease (+) in other assets | 112.0 | -220.9 | 17.4 |
| Increase (+)/decrease (-) in deposits from the public | 428.1 | -2,997.8 | -1 580.0 |
| Increase (+)/decrease (-) in other liabilities | 17.3 | 33.9 | 35.3 |
| Cash flow from operating activities | 486.6 | -1,318.8 | -1 216.9 |
| Investing activities | | | |
| Investments in bonds and other securities | -373.2 | -222.4 | -222.4 |
| Divesments of bonds and other securities | 428.0 | 51.2 | 51.2 |
| Acquisition of tangible assets | - | -1.5 | 0.3 |
| Acquisition of intangible assets | -26.8 | - | - |
| Gain on liquidation of shares in subsidiary | - | 8.5 | - |
| Cash flow from investing activities | 28.7 | 164.2 | -171.5 |
| Financing activities | | | |
| Share issue | - | 199.7 | -201.6 |
| Debt securities issued | - | 250.0 | -13.2 |
| Repurchase and repayment of debt securities issued | - | -250.0 | -4.3 |
| Interest paid on Additional Tier 1 capital | -14.3 | -27.7 | -8.6 |
| Cash flow from financing activities | -14.3 | 174.0 | 184.2 |
| Cash and cash equivalents at beginning of the period | 1 214.0 | 2,523.1 | 2 529.5 |
| Cash flow for the period | 500.4 | -1,309.0 | -1 204.2 |
| Cash and cash equivalents at end of the period¹ | 1 714.4 | 1,214.0 | 1 325.3 |
| 1) CASH AND CASH EQUIVALENTS IN THE CASH FLOW STATEMENT | | | |
| Cash and balances with central banks | 79.4 | 77.6 | 259.2 |
| Loans to credit institutions | 1 635.0 | 1,136.4 | 1 060.9 |
| Total cash and cash equivalents in the cash flow statement | 1 714.4 | 1 214.0 | 1 325.3 |

NOTES

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

1 GENERAL INFORMATION

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

2 ACCOUNTING PRINCIPLES

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

The company's accounting principles, bases for calculation and presentation remain essentially unchanged from those applied in the 2023 Annual Report.

CHANGES IN ACCOUNTING PRINCIPLES

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

Avida has reviewed and updated the accounting principles stated in the annual report to reflect the standard's new materiality requirements.

There are no other changes to IFRS or IFRIC that have entered into force in 2024 that have had any significant impact on the company's financial statements or capital adequacy.

CRITICAL ESTIMATES AND JUDGMENTS

Avida continuously monitors the development in the company's loan portfolio and markets and the ways in which these are affected by external factors.

During the beginning of the year, the macroeconomic situation has caused uncertainty in the financial markets. Increased inflation and higher interest rates affect Avida's funding costs and credit losses and may lead to a reduced repayment capacity in end-customers. Avida closely monitors all developments in order to quickly analyze and manage future changes.

Other estimates, assumptions and assessments do not differ from before and can be read in the 2023 Annual Report.

NOTE 3 OPERATING SEGMENTS

Operating segment reporting is based on how the senior executive management - the executive management - follows up the operations of Avida. The segments are distributed from a customer perspective, where Consumer Finance refers to lending to private individuals, Factoring refers to factoring from companies and Corporate loans refers to corporate loans. The "Other" segment includes a run-off portfolio of consumer loans as well as company-wide revenues and expenses.

The performance measure that is followed up at segment level is profit before tax. For the balance sheet, the only monitoring is done

on lending volumes. The income statement for the segments follows the legal format for Operating income, except for the item Total risk-adjusted operating income, which refers to total revenue for the segment net of credit losses. Each segment bears a portion of total interest expenses based on lending volume and estimated financing cost for lending. Within net interest income, some items are classified as interest income in the legal format, while in reporting to management, they are reported as interest expenses. Net interest income is unchanged.

| Quarter 2 2024 | Consumer Finance | Factoring | Corporate Loans | Other | Total |
|---|------------------|-----------|-----------------|-------|----------|
| SEK million | | | | | |
| Interest income | 239.9 | 61.9 | 23.6 | 11.6 | 337.0 |
| Interest expenses | -112.8 | -22.0 | -8.3 | -6.9 | -150.0 |
| Net interest income | 127.1 | 39.9 | 15.3 | 4.7 | 187.0 |
| Net commission income | 5.1 | 0.0 | 0.0 | 0.0 | 5.1 |
| Net result from financial transactions | 0.0 | 0.0 | 0.0 | -1.8 | -1.8 |
| Total operating income | 132.2 | 39.9 | 15.3 | 2.9 | 190.3 |
| Credit losses, net | -127.0 | 0.0 | 2.0 | 0.2 | -124.8 |
| Total risk-adjusted net operating income | 5.2 | 39.9 | 17.3 | 3.1 | 65.5 |
| Operating expenses | -80.5 | -32.6 | -5.4 | -2.8 | -121.3 |
| Profit before tax | -75.3 | 7.4 | 11.9 | 0.3 | -55.8 |
| Loans to the public | 7 649.8 | 2 037.9 | 735.8 | 22.1 | 10 445.5 |
| Quarter 1, 2024 | | | | | |
| SEK million | | | | | |
| Interest income | 192.6 | 57.9 | 25.1 | 1.0 | 276.5 |
| Interest expenses | -77.2 | -21.0 | -9.5 | 3.9 | -103.8 |
| Net interest income | 115.4 | 36.9 | 15.5 | 4.9 | 172.7 |
| Net commission income | 5.3 | 0.0 | 0.0 | 0.0 | 5.3 |
| Net result from financial transactions | 0.0 | 0.0 | 0.0 | -1.0 | -1.0 |
| Total operating income | 120.7 | 36.9 | 15.5 | 3.9 | 177.0 |
| Credit losses, net | -125.8 | -2.8 | -2.2 | -0.9 | -131.7 |
| Total risk-adjusted net operating income | -5.1 | 34.1 | 13.3 | 3.0 | 45.3 |
| Operating expenses | -72.9 | -29.1 | -5.4 | -6.1 | -113.5 |
| Profit before tax | -78.0 | 5.0 | 8.0 | -3.2 | -68.2 |
| Loans to the public | 7 597.5 | 2 000.7 | 915.4 | 31.7 | 10 545.4 |

| Quarter 2, 2023 | Consumer Finance | Factoring | Corporate Loans | Other | Total |
|---|-----------------------------|------------------|----------------------------|--------------|--------------|
| SEK million | | | | | |
| Interest income | 228.7 | 58.5 | 29.5 | 0.1 | 316.9 |
| Interest expenses | -69.3 | -17.7 | -9.6 | 3.9 | -92.7 |
| Net interest income | 159.4 | 40.8 | 19.9 | 4.0 | 224.1 |
| Net commission income | 5.8 | 0.0 | 0.0 | 0.5 | 6.2 |
| Net result from financial transactions | 0.0 | 0.0 | 0.0 | 3.7 | 3.7 |
| Total operating income | 165.2 | 40.8 | 19.9 | 8.1 | 234.0 |
| Credit losses, net | -138.2 | -0.2 | -2.0 | 0.0 | -140.3 |
| Total risk-adjusted net operating income | 27.1 | 40.6 | 17.8 | 8.2 | 93.7 |
| Operating expenses | -52.4 | -22.8 | -5.8 | -0.1 | -81.1 |
| Profit before tax | -25.3 | 17.8 | 12.1 | 8.1 | 12.6 |
| Loans to the public | 8 489.5 | 2 310.5 | 1 191.9 | 66.8 | 12 058.7 |
| Full year 2023 | | | | | |
| SEK million | | | | | |
| Interest income | 877.8 | 234.6 | 122.3 | 6.9 | 1,241.5 |
| Interest expenses | -274.7 | -75.1 | -38.3 | 10.1 | -378.0 |
| Net interest income | 603.1 | 159.5 | 83.9 | 17.0 | 863.5 |
| Net commission income | 22.0 | 0.0 | 0.0 | 0.0 | 22.0 |
| Net result from financial transactions | 0.0 | 0.0 | 0.0 | 16.4 | 16.4 |
| Total operating income | 625.1 | 159.5 | 83.9 | 33.5 | 901.9 |
| Credit losses, net | -510.3 | 8.6 | -15.8 | 4.3 | -513.1 |
| Total risk-adjusted net operating income | 114.8 | 168.1 | 68.1 | 37.8 | 388.8 |
| Operating expenses | -236.0 | -101.4 | -30.6 | -1.9 | -370.0 |
| Profit before tax | -121.3 | 66.7 | 37.5 | 35.9 | 18.8 |
| Loans to the public | 7,444.7 | 2,144.4 | 885.9 | 40.9 | 10,515.9 |

NOTE 4 NET INTEREST INCOME

| SEK million | Quarter 2 2024 | Quarter 1 2024 | Quarter 2 2023 | Jan - Jun 2024 | Jan - Jun 2023 | Full year 2023 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Loans to credit institutions and cash and balances with central banks | 8.1 | 8.7 | 5.0 | 16.9 | 13.3 | 34.8 |
| Bonds and other interest-bearing securities | 3.2 | 4.3 | 4.6 | 7.5 | 7.7 | 15.4 |
| Loans to the public | 292.6 | 274.8 | 317.0 | 567.5 | 613.6 | 1 235.7 |
| Other interest income | 0.3 | 0.2 | 0.2 | 0.5 | 0.4 | 1.2 |
| Total interest income | 304.2 | 288.1 | 326.7 | 592.3 | 635.0 | 1 287.1 |
| Liabilities to credit institutions | -1.8 | -1.7 | -1.7 | -3.6 | -6.5 | -11.2 |
| Deposits from the public | -108.3 | -106.1 | -93.9 | -214.4 | -163.3 | -381.6 |
| Subordinated debt | -8.4 | -8.4 | -6.2 | -16.8 | -11.9 | -27.0 |
| Other interest expenses | 1.2 | 0.9 | -0.8 | 2.1 | -1.8 | -3.8 |
| Total interest expenses | -117.2 | -115.4 | -102.6 | -232.6 | -183.5 | -423.6 |
| Net interest income | 187.0 | 172.7 | 227.3 | 359.7 | 451.5 | 863.5 |

NOTE 5 CREDIT LOSSES, NET

| SEK million | Quarter 2 2024 | Quarter 1 2024 | Quarter 2 2023 | Jan - Jun 2024 | Jan - Jun 2023 | Full year 2023 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Loans to the public | | | | | | |
| Provisions - stage 1 | 11.2 | 8.6 | 5.5 | 19.4 | 2.8 | 33.3 |
| Provisions - stage 2 | 18.3 | 6.5 | 4.7 | 24.7 | 11.3 | 39.8 |
| Provisions - stage 3 | -140.3 | -128.8 | -143.7 | -269.1 | 4.6 | 266.2 |
| Total provisions | -110.8 | -113.7 | -133.5 | -224.9 | 18.7 | 339.3 |
| Write-offs | -14.3 | -18.0 | -7.0 | -32.3 | -297.3 | -1 287.1 |
| Recoveries | 0.3 | 0.1 | 0.1 | 0.3 | 0.2 | 434.2 |
| Total credit losses from loans to the public | -124.8 | -131.7 | -140.4 | -256.9 | -278.4 | -513.5 |
| Loans to credit institutions | | | | | | |
| Provisions - stage 1 | 0.0 | 0.0 | 0.1 | 0.4 | 0.3 | 0.4 |
| Total credit losses from loans to credit institutions | 0.0 | 0.0 | 0.1 | 0.4 | 0.3 | -0.2 |
| Total credit losses, net | -124.8 | -131.7 | 140.3 | -256.5 | -278.1 | -513.1 |

NOTE 6 LOANS TO THE PUBLIC

| SEK million | 30 Jun 2024 | 31 Dec 2023 | 30 Jun 2023 |
|-----------------------------------|-----------------|-----------------|-----------------|
| Loans to the public, gross | 11 603.1 | 11,444.1 | 13 324.1 |
| of which: Stage 1 | 8 647.2 | 8,959.1 | 10 255.7 |
| of which: Stage 2 | 472.0 | 624.2 | 697.1 |
| of which: Stage 3 | 2 483.9 | 1,861.1 | 2 371.2 |
| Total provisions | -1 157.6 | -928.5 | -1 265.4 |
| of which: Stage 1 | -77.3 | -74.6 | -98.2 |
| of which: Stage 2 | -39.4 | -63.8 | -93.5 |
| of which: Stage 3 | -1 040.9 | -790.1 | -1 073.7 |
| Loans to the public, net | 10 445.5 | 10 515.9 | 12 058.7 |

CHANGE IN GROSS CARRYING AMOUNT AND PROVISIONS

| SEK million | Stage 1 | Stage 2 | Stage 3 | Total |
|--|----------------|----------------|----------------|-----------------|
| Gross carrying amount, 1 Jan 2024 | 8 959.1 | 624.2 | 1 861.1 | 11 444.4 |
| New financial assets | 3 194.6 | 70.1 | 36.4 | 3 301.1 |
| Derecognised financial assets | -2 535.6 | -43.7 | -66.9 | -2 646.2 |
| From stage 1 to stage 2 | -289.8 | 279.9 | 0.0 | -9.9 |
| From stage 1 to stage 3 | -379.2 | 0.0 | 381.7 | 2.5 |
| From stage 2 to stage 1 | 74.3 | -80.4 | 0.0 | -6.2 |
| From stage 2 to stage 3 | 0.0 | -297.1 | 299.9 | 2.8 |
| From stage 3 to stage 1 | 0.4 | 0.0 | -2.9 | -2.4 |
| From stage 3 to stage 2 | 0.0 | 1.5 | -1.5 | 0.0 |
| Changes that are not derecognised financial assets | -431.8 | -87.6 | -32.8 | -552.1 |
| Exchange-rate differences | 55.1 | 5.2 | 8.9 | 69.2 |
| Gross carrying amount, 30 Jun 2024 | 8 647.2 | 472.0 | 2 483.9 | 11 603.1 |
| SEK million | Stage 1 | Stage 2 | Stage 3 | Total |
| Provision for credit losses, 1 Jan 2024 | 66.6 | 63.2 | 790.5 | 920.2 |
| New financial assets | 39.7 | 4.5 | 23.5 | 67.7 |
| Derecognised financial assets | -6.6 | -2.3 | -66.2 | -75.1 |
| From stage 1 to stage 2 | -8.2 | 37.5 | 0.0 | 29.3 |
| From stage 1 to stage 3 | -15.3 | 0.0 | 156.5 | 141.2 |
| From stage 2 to stage 1 | 2.6 | -9.6 | 0.0 | -7.1 |
| From stage 2 to stage 3 | 0.0 | -51.9 | 124.0 | 72.0 |
| From stage 3 to stage 1 | 0.0 | 0.0 | -1.2 | -1.2 |
| From stage 3 to stage 2 | 0.0 | 0.2 | -0.5 | -0.3 |
| Changes in risk factors (PD, EAD, LGD) | -2.3 | -2.2 | 28.6 | 24.1 |
| Changes due to expert assessments (individual assessments, manual adjustments) | 0.0 | -0.4 | -17.6 | -18.0 |
| Exchange-rate differences | 0.7 | 0.6 | 3.4 | 4.7 |
| Provision for credit losses, 31 Mar 2024 | 77.3 | 39.4 | 1 040.9 | 1 157.6 |

CHANGE IN GROSS CARRYING AMOUNT AND PROVISIONS

| SEK million | Stage 1 | Stage 2 | Stage 3 | Total |
|--|-----------------|----------------|----------------|-----------------|
| Gross carrying amount, 1 Jan 2023 | 10,576.8 | 844.4 | 2,227.5 | 13,648.7 |
| New financial assets | 3,757.9 | 116.5 | 136.9 | 4,011.3 |
| Derecognised financial assets | -3,624.1 | -251.6 | -1,350.2 | -5,225.9 |
| From stage 1 to stage 2 | -364.2 | 343.2 | | -21.0 |
| From stage 1 to stage 3 | -662.6 | | 646.2 | -16.3 |
| From stage 2 to stage 1 | 101.5 | -115.2 | | -13.7 |
| From stage 2 to stage 3 | | -276.3 | 267.6 | -8.7 |
| From stage 3 to stage 1 | 1.2 | | -2.2 | -1.0 |
| From stage 3 to stage 2 | | 0.9 | -4.3 | -3.5 |
| Changes that are not derecognised financial assets | -764.2 | -25.9 | -37.8 | -827.9 |
| Exchange-rate differences | -63.2 | -11.6 | -22.7 | -97.6 |
| Gross carrying amount, 31 Dec 2023 | 8,959.1 | 624.2 | 1,861.1 | 11,444.4 |
| SEK million | Stage 1 | Stage 2 | Stage 3 | Total |
| Provision for credit losses, 1 Jan 2023 | 100.9 | 103.6 | 1,070.8 | 1,275.3 |
| New financial assets | 34.9 | 13.5 | 74.9 | 123.3 |
| Derecognised financial assets | -25.2 | -23.8 | -709.7 | -758.7 |
| From stage 1 to stage 2 | -8.8 | 55.2 | | 46.4 |
| From stage 1 to stage 3 | -20.5 | | 258.0 | 237.4 |
| From stage 2 to stage 1 | 3.2 | -14.3 | | -11.1 |
| From stage 2 to stage 3 | | -48.1 | 111.1 | 63.0 |
| From stage 3 to stage 1 | 0.0 | | -0.5 | -0.5 |
| From stage 3 to stage 2 | | 0.1 | -3.5 | -3.5 |
| Changes in risk factors (PD, EAD, LGD) | -9.0 | -2.6 | 8.7 | -2.9 |
| Changes due to expert assessments (individual assessments, manual adjustments) | 0.0 | -19.2 | -12.0 | -31.2 |
| Exchange-rate differences | -0.9 | -0.5 | -7.7 | -9.2 |
| Provision for credit losses, 31 Dec 2023 | 74.6 | 63.8 | 790.1 | 928.5 |

CHANGE IN GROSS CARRYING AMOUNT AND PROVISIONS

| SEK million | Stage 1 | Stage 2 | Stage 3 | Total |
|--|-----------------|----------------|----------------|-----------------|
| Gross carrying amount, 1 Jan 2023 | 10,579.0 | 844.4 | 2,226.7 | 13,650.1 |
| New financial assets | 3 608.7 | 58.7 | 68.2 | 3 735.6 |
| Derecognised financial assets | -3 082.7 | -152.5 | -85.9 | -3 321.1 |
| From stage 1 to stage 2 | -409.2 | 395.5 | | -13.7 |
| From stage 1 to stage 3 | -295.8 | | 298.4 | 2.6 |
| From stage 2 to stage 1 | 123.9 | -132.5 | | -8.7 |
| From stage 2 to stage 3 | | -309.3 | 314.0 | 4.7 |
| From stage 3 to stage 1 | 0.7 | | -0.9 | -0.2 |
| From stage 3 to stage 2 | | 0.3 | -0.4 | -0.1 |
| Changes that are not derecognised financial assets | -395.9 | -13.8 | -454.2 | -863.9 |
| Exchange-rate differences | 127.0 | 6.2 | 5.5 | 138.7 |
| Gross carrying amount, 30 Jun 2023 | 10 255.7 | 697.1 | 2 371.2 | 13 324.1 |
| SEK million | Stage 1 | Stage 2 | Stage 3 | Total |
| Provision for credit losses, 1 Jan 2023 | 100.9 | 103.6 | 1,070.8 | 1,275.3 |
| New financial assets | 25.7 | 6.3 | 48.5 | 80.5 |
| Derecognised financial assets | -14.6 | -6.5 | -65.8 | -86.9 |
| From stage 1 to stage 2 | -11.7 | 61.1 | | 49.4 |
| From stage 1 to stage 3 | -12.6 | | 122.4 | 109.8 |
| From stage 2 to stage 1 | 4.6 | -16.9 | | -12.3 |
| From stage 2 to stage 3 | | -56.0 | 136.9 | 80.9 |
| From stage 3 to stage 1 | | | -0.2 | -0.2 |
| From stage 3 to stage 2 | | | -0.2 | -0.2 |
| Changes in risk factors (PD, EAD, LGD) | -6.2 | -0.2 | -210.7 | -217.1 |
| Changes due to expert assessments (individual assessments, manual adjustments) | 10.6 | | -31.4 | -20.8 |
| Exchange-rate differences | 1.5 | 2.0 | 3.5 | 7.0 |
| Provision for credit losses, 30 June 2023 | 98.2 | 93.5 | 1 073.7 | 1 265.4 |

NOTE 7 CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

| 30 Jun 2024 | Fair value through profit and loss | Amortised cost | Total reported value | Total fair value |
|---------------------------------------|---|---------------------------|---------------------------------|-----------------------------|
| SEK million | | | | |
| Cash and balances with central banks | | 79.4 | 79.4 | 79.4 |
| Treasury bills eligible for repayment | 161.9 | 623.3 | 785.3 | 873.7 |
| Loans to credit institutions | | 1 635.0 | 1 635.0 | 1 635.0 |
| Loans to the public | | 10 445.5 | 10 445.5 | 10 445.5 |
| Other financial assets | 1.9 | 24.6 | 26.3 | 26.3 |
| Total financial assets | 163.9 | 12 807.9 | 12 971.7 | 13 060.2 |
| Deposits from the public | | 11 358.4 | 11 358.4 | 11 358.4 |
| Derivatives | 12.7 | | 12.7 | 12.7 |
| Subordinated debt | | 249.6 | 249.6 | 249.6 |
| Other financial liabilities | | 47.0 | 47.0 | 47.0 |
| Total financial liabilities | 12.7 | 11 655.0 | 11 667.7 | 11 667.7 |
| 31 Dec 2023 | | | | |
| SEK million | | | | |
| Cash and balances with central banks | | 77.6 | 77.6 | 77.6 |
| Treasury bills eligible for repayment | 157.4 | 679.6 | 837.0 | 837.0 |
| Loans to credit institutions | | 1,136.4 | 1,136.4 | 1,136.4 |
| Loans to the public | | 10,515.9 | 10,515.9 | 10,515.9 |
| Other financial assets | 1.3 | 22.9 | 24.2 | 24.2 |
| Total financial assets | 158.8 | 12,432.4 | 12,591.1 | 12,591.1 |
| Deposits from the public | | 10,930.3 | 10,930.3 | 10,930.3 |
| Derivatives | 1.3 | | 1.3 | 1.3 |
| Subordinated debt | | 249.7 | 249.7 | 249.7 |
| Other financial liabilities | | 51.6 | 51.6 | 51.6 |
| Total financial liabilities | 1.3 | 11,231.6 | 11,232.9 | 11,232.9 |
| 30 Jun 2023 | | | | |
| SEK million | | | | |
| Cash and balances with central banks | | 259.2 | 259.2 | 259.2 |
| Treasury bills eligible for repayment | 154.5 | 694.0 | 848.6 | 842.8 |
| Loans to credit institutions | | 1,066.0 | 1,066.0 | 1,066.0 |
| Loans to the public | | 12,058.7 | 12,058.7 | 12,058.7 |
| Other financial assets | 1.0 | 162.9 | 163.9 | 163.9 |
| Total financial assets | 155.6 | 14,240.9 | 14,396.5 | 14,390.6 |
| Deposits from the public | | 12,348.0 | 12,348.0 | 12,348.0 |
| Derivatives | 3.8 | | 3.8 | 3.8 |
| Subordinated debt | | 249.7 | 249.7 | 249.7 |
| Other financial liabilities | 1.0 | 185.3 | 186.3 | 186.3 |
| Total financial liabilities | 4.9 | 12,783.1 | 12,788.0 | 12,788.0 |

DISCLOSURES ON FAIR VALUE

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

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

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

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

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

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

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

| 30 June 2024 | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|--------------|------------|---------|--------------|
| SEK million | | | | |
| Financial assets | | | | |
| Treasury bills eligible for repayment | 161.9 | | | 161.9 |
| Other financial assets | | 1.7 | | 1.7 |
| Derivatives | | 0.2 | | 0.2 |
| Total financial assets | 161.9 | 1.9 | | 163.9 |
| Financial liabilities | | | | |
| Derivatives | | 12.7 | | 12.7 |

| 31 Dec 2023 | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|--------------|------------|---------|--------------|
| SEK million | | | | |
| Financial assets | | | | |
| Treasury bills eligible for repayment | 157.4 | | | 157.4 |
| Other financial assets | | 1.3 | | 1.3 |
| Total financial assets | 157.4 | 1.3 | | 158.8 |
| Financial liabilities | | | | |
| Derivatives | | 1.3 | | 1.3 |
| Total financial liabilities | | 1.3 | | 1.3 |

| 30 June 2023 | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------------|--------------|------------|----------|--------------|
| SEK million | | | | |
| Financial assets | | | | |
| Treasury bills eligible for repayment | 155.5 | | | 154.5 |
| Other financial assets | | 1.0 | | 1.0 |
| Total financial assets | 154.5 | 1.0 | | 155.5 |
| Financial liabilities | | | | |
| Derivatives | - | 3.8 | - | 3.8 |
| Total financial liabilities | - | 3.8 | - | 3.8 |

NOTE 8 CAPITAL ADEQUACY

The information in this note refers to information that must be provided according to FFFS 2008:25, including applicable amendments, on annual reports in credit institutions and securities companies, and FFFS 2014:12 on supervisory requirements capital buffers. The Company's statutory capital requirements are determined primarily by Regulation (EU) No 575/2013 of the European Parliament and of the Council and the Capital Buffers Act (SFS 2014:966).

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

| SEK million | 30 Jun 2024 | 31 Dec 2023 | 30 Jun 2023 |
|--|----------------|----------------|----------------|
| CAPITAL RATIOS AND CAPITAL BUFFERS, % | | | |
| CET1 ratio | 11.70% | 13.14% | 12.44% |
| Tier 1 ratio | 13.63% | 15.05% | 14.20% |
| Total capital ratio | 16.04% | 17.44% | 16.41% |
| Total CET1 capital requirement including buffer requirements | 8.49% | 8.57% | 8.51% |
| of which: capital conservation buffer requirement | 2.50% | 2.50% | 2.50% |
| of which: countercyclical capital buffer requirement | 1.49% | 1.57% | 1.51% |
| CET1 available to meet buffers | 7.20% | 8.64% | 7.94% |
| SPECIFICATION OF OWN FUNDS | | | |
| Capital instruments and related share premium: Equity | 1,134.1 | 1,134.1 | 1,134.1 |
| Retained earnings and reserves | 116.5 | 239.1 | 254.7 |
| Deductions: | | | |
| Intangible assets | 33.9 | 28.2 | 19.5 |
| Deferred tax assets | 0.4 | 0.3 | 0.4 |
| Insufficient coverage for exposures in default | -8.4 | 0.0 | 0.0 |
| Application of IFRS 9 transitional rules | 4.2 | 25.6 | 36.9 |
| CET1 capital | 1,212.2 | 1,370.3 | 1,405.8 |
| Perpetual subordinated loan | 200.0 | 199.4 | 198.7 |
| Additional Tier 1 capital | 200.0 | 199.4 | 200.0 |
| Tier 1 capital, total | 1,412.2 | 1,569.7 | 1,605.8 |
| Supplementary capital | 249.6 | 249.7 | 249.7 |
| Tier 2 capital | 249.6 | 249.7 | 249.7 |
| Total capital | 1,661.8 | 1,819.4 | 1,854.2 |
| SPECIFICATION OF RISK EXPOSURE AMOUNT (REA) | | | |
| Exposures to regional governments and local authorities | 10.0 | 6.1 | 5.5 |
| Exposures to institutions | 340.7 | 243.7 | 224.6 |
| Exposures to corporates | 1,806.4 | 2,073.3 | 2,227.2 |
| Retail exposures | 5,134.4 | 5,248.5 | 6,034.6 |
| Exposures in default | 1,292.6 | 972.2 | 1,203.2 |
| Equity exposures | 0.0 | 0.0 | 2.0 |
| Other items | 170.2 | 266.4 | 52.9 |
| Total risk exposure amount for credit risk | 8,754.3 | 8,810.2 | 9,749.1 |

| SEK million | 30 Jun 2024 | 31 Dec 2023 | 30 Jun 2023 |
|--|-----------------|-----------------|-----------------|
| Total risk exposure amount for market risk (foreign exchange risk) | 17.6 | 34.3 | 78.8 |
| Total risk exposure amount for operational risk (basic indicator approach) | 1,587.4 | 1,587.4 | 1,471.0 |
| Total risk exposure amount for credit valuation adjustment risk (CVA) | 0.0 | 0.1 | 0.0 |
| Total risk exposure amount | 10,359.3 | 10,432.0 | 11,298.9 |
| SPECIFICATION OF OWN FUNDS REQUIREMENT (8 % OF REA) | | | |
| Exposures to regional governments and local authorities | 0.8 | 0.5 | 0.4 |
| Exposures to institutions | 27.3 | 19.5 | 18.0 |
| Exposures to corporates | 144.5 | 165.9 | 178.2 |
| Retail exposures | 410.8 | 419.9 | 482.8 |
| Exposures in default | 103.4 | 77.8 | 96.2 |
| Equity exposures | 0.0 | 0.0 | 0.2 |
| Other items | 13.6 | 21.3 | 4.2 |
| Total capital requirement for credit risk^{698.7} | 700.3 | 704.8 | 779.9 |
| Total capital requirement for market risk (foreign exchange risk) | 1.4 | 2.7 | 6.3 |
| Total capital requirement for operational risk (basic indicator approach) | 127.0 | 127.0 | 117.7 |
| Total capital requirement for credit valuation adjustment risk (CVA) | 0.0 | 0.1 | 0.0 |
| Total capital requirement - Pillar 1 | 828.7 | 834.5 | 903.9 |
| Credit concentration risk | 92.1 | 86.5 | 124.6 |
| Interest rate risk in the banking book | 25.8 | 29.4 | 24.3 |
| Other additional capital requirements | 2.3 | 5.0 | 5.1 |
| Total capital requirement - Pillar 2 | 120.2 | 120.9 | 154.0 |
| Capital conservation buffer | 259.0 | 260.8 | 282.5 |
| Countercyclical capital buffer | 153.9 | 164.3 | 170.4 |
| Total capital requirement - Capital buffers | 412.9 | 425.1 | 452.9 |
| Total capital requirement | 1,361.8 | 1,380.5 | 1,510.8 |
| CAPITAL REQUIREMENT AS A PERCENTAGE OF REA | | | |
| Pillar 1 | 8.00% | 8.00% | 8.00% |
| Pillar 2 | 1.16% | 1.16% | 1.36% |
| Capital conservation buffer | 2.50% | 2.50% | 2.50% |
| Institution-specific countercyclical buffer | 1.49% | 1.57% | 1.51% |
| Total capital requirement | 13.15% | 13.23% | 13.37% |
| LEVERAGE RATIO | | | |
| Total exposure measure for calculating leverage ratio | 13,401.1 | 13,133.9 | 14,753.0 |
| Tier 1 capital | 1,412.1 | 1,569.7 | 1,604.4 |
| Leverage ratio, % | 10.54% | 11.95% | 10.88% |
| Overall leverage ratio requirement | 402.0 | 394.0 | 442.6 |
| Overall leverage ratio requirement, % | 3% | 3% | 3% |

TEMPLATE EU KM1 - KEY METRICS

| | | 30 Jun 2024 | 31 Dec 2023 | 30 Jun 2023 |
|---|--|-------------|-------------|-------------|
| Available own funds (amount) | | | | |
| 1 | Common Equity Tier 1 (Tier 1) | 1,212.2 | 1,370.3 | 1,409.7 |
| 1 | Tier 1 capital | 1,412.1 | 1,569.7 | 1,608.4 |
| 3 | Total Capital | 1,661.4 | 1,819.4 | 1,858.1 |
| Risk exposure amount | | | | |
| 4 | Risk exposure amount | 10,359.3 | 10,439.9 | 11,345.5 |
| Capital relations (as a percentage of the risk-weighted exposure amount) | | | | |
| 5 | Common Equity Tier 1 capital ratio (%) | 11.70% | 13,13% | 12,43% |
| 6 | Tier 1 capital ratio (in %) | 13.63% | 15,04% | 14,18% |
| 7 | Total capital ratio (%) | 16.04% | 17,43% | 16,38% |
| Additional own funds requirements to manage risks other than the risk of excessively low leverage ratio (as a percentage of the risk-weighted exposure amount) | | | | |
| EU 7a | Additional own funds requirements to manage risks other than the risk of excessively low leverage ratio in % | 0,0% | 0,0% | 0,0% |
| EU 7b | of which: shall consist of Common Equity Tier 1 capital (in percentage points) r | 0,0% | 0,0% | 0,0% |
| EU 7c | of which: shall consist of Tier 1 capital (in percentage points) | 0,0% | 0,0% | 0,0% |
| EU 7d | Total own funds requirements for the review | 8% | 8% | 8% |
| Combined buffer requirement and aggregate capital requirement (as a percentage of the risk-weighted exposure amount) | | | | |
| | | (in %) | | |
| 8 | Capital conservation buffer (in %) | 2,50% | 2,50% | 2,50% |
| EU 8a | Conservation buffer due to macroprudential or systemic risks identified at Member State level | | | |
| 9 | Institution specific countercyclical capital buffer (%) | 1.49% | 1.57% | 1,51% |
| EU 9a | Systemic risk buffer (%) | | | |
| 10 | Global Systemically Important Institution buffer (%) | | | |
| EU 10a | Other Systemically Important Institution buffer (%) | | | |
| 11 | Combined buffer requirement (%) | 3.99% | 4,07% | 4,01% |
| EU 11a | Overall capital requirements (%) | 11.99% | 12,07% | 12,01% |
| 12 | CET1 available after meeting the total SREP own funds requirements (%) | 7.20% | 8,63% | 7,93% |
| Leverage ratio | | | | |
| 13 | Total exposure measure | 13,401.1 | 13,160.5 | 14,814.6 |
| 14 | Leverage ratio (%) | 10.54% | 11,93% | 10,86% |
| Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure) | | | | |
| EU 14a | Additional own funds requirements to address the risk of excessive leverage (%) | | | |
| EU 14b | of which: to be made up of CET1 capital (percentage points) | | | |
| EU 14c | Total SREP leverage ratio requirements (%) | | | |
| Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure) | | | | |
| EU 14d | Leverage ratio buffer requirement (%) | 3,00% | 3,00% | 3,00% |
| EU 14e | Overall leverage ratio requirement (%) | 3,00% | 3,00% | 3,00% |
| Liquidity coverage ratio | | | | |
| 15 | Total high-quality liquid assets (HQLA) (Weighted value - average) | 822.6 | 864.6 | 1,103.3 |
| 16 | Total high-quality liquid assets (HQLA) (Weighted value - average) | 344.6 | 275,3 | 400,9 |
| 17 | Liquidity coverage ratio | 238.71% | 314,06% | 275,20% |
| Stabil nettofinansieringskvot | | | | |
| 18 | Total available stable funding | 12,466.4 | 12,132.0 | 13,459.1 |
| 19 | Total required stable funding | 9,565.6 | 9,401.2 | 10,486.7 |
| 20 | NSFR ratio (%) | 130,33% | 129,05% | 128,34% |

NOT 9 LIQUIDITY RISK

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

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

LIQUIDITY RESERVE

| SEK million | 30 Jun 2024 | 31 Dec 2023 | 30 Jun 2023 |
|--|----------------|----------------|----------------|
| Cash and balances with central banks | 79.4 | 77.6 | 259.2 |
| Deposits in other banks available overnight | 1 635.0 | 1 136.4 | 1 066.0 |
| Bonds issued by governments and municipalities | 785.3 | 837.0 | 848.6 |
| Total | 2 499.7 | 2 051.1 | 2 173.9 |

FUNDING SOURCES

| SEK million | 30 Jun 2024 | 31 Dec 2023 | 30 Jun 2023 |
|---------------------------|-----------------|-----------------|-----------------|
| Deposits from the public | 11 358.4 | 10 930.3 | 12 348.0 |
| Subordinated debt | 249.6 | 249.7 | 249.7 |
| Additional Tier 1 capital | 200.0 | 199.4 | 198.7 |
| Other equity | 1 250.9 | 1 387.5 | 1 409.8 |
| Other liabilities | 185.2 | 167.9 | 190.2 |
| Total | 13 244.0 | 12 934.8 | 14 396.5 |

LIQUIDITY MEASURES, %

| SEK million | 30 Jun 2024 | 31 Dec 2023 | 30 Jun 2023 |
|---------------------------------|-------------|-------------|-------------|
| Liquidity coverage ratio (LCR) | 238.71% | 313.7% | 274.5% |
| Net stable funding ratio (NSFR) | 130.33% | 128.6% | 128.7% |

DEFINITIONS

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

ALTERNATIVE PERFORMANCE MEASURES

RETURN ON EQUITY

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

RETURN ON ASSETS

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

C/I RATIO

Total operating expenses divided by total operating income.

NET INTEREST MARGIN

Net interest income divided by average loans to the public.

LOSS RATIO

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

KEY FIGURES DEFINED IN CAPITAL ADEQUACY- AND LIQUIDITY REGULATIONS

LEVERAGE RATIO

Total exposure amount in relation to Tier 1 capital.

OWN FUNDS

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

COMMON EQUITY TIER 1 (CET1) RATIO

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

LIQUIDITY COVERAGE RATIO, LCR

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

TIER 1 CAPITAL RATIO

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

RISK EXPOSURE AMOUNT

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

NET STABLE FUNDING RATIO, NSFR

Available stable funding in relation to required stable funding.

TOTAL CAPITAL RATIO

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

THE BOARD AND CEO DECLARATION

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

STOCKHOLM, 30 AUGUST 2024

Magnus Lindquist, Chairman of the Board

Tine Wollebekk, CEO

Geir Olsen, Member

Celina Midelfart, Member

Vaibhav Piplapure, Member

Teresa Robson-Capps, Member

John Stein, Member

PUBLICATION OF FINANCIAL INFORMATION

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

FINANCIAL CALENDAR 2024

| | |
|-------------|--|
| 30 AUGUST | Q2 - INTERIM REPORT JANUARY-JUNE 2024 |
| 28 NOVEMBER | Q3 - INTERIM REPORT JANUARY-SEPTEMBER 2024 |

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