aprilabank

Aprila Bank ASA | Q1 2020 | 15 May 2020

Important information (I)

Disclaimer

By reading this presentation (the ***"Presentation"****), or attending any meeting or oral presentation held in relation thereto, you (the* ***"Recipient"****) agree to be bound by the following terms, conditions and limitations.*

The Presentation has been produced by Aprila Bank ASA, (the ***"Company"****, the* ***"Bank"*** *or* ***"Aprila"****), with the assistance of its appointed managers Arctic Securities AS and Pareto Securities AS (jointly the* ***"Managers"****), solely for use at presentations to potential investors in connection with the contemplated offering of shares by the Company expected to be carried out in May 2020 (the* ***"Private Placement"****).*

The Presentation is for information purposes only and does not in itself constitute, and should not be construed as, an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction. Prospective investors in the Private Placement (if and when made) are required to read the offering material and other relevant documentation which is released in relation thereto for a description of the terms and conditions of the Private Placement and further information about the Company.

CONFIDENTIALITY

This Presentation and its contents are strictly confidential. Distribution of this Presentation to any person other than the Recipient and any person retained to advice the Recipient with respect to the Private Placement is unauthorised, and any disclosure of any of the contents of this Presentation, without the prior written consent of the Company or the Managers, is prohibited.

NO DUE DILIGENCE INVESTIGATIONS

No due diligence review or other verification exercises have been performed by or on behalf of the Managers in connection with the Private Placement. In particular, no legal, tax or financial due diligence or other third party verification of the Company's financial position, prospects, forecasts and budgets has been carried out by or on behalf of the Managers. [Any due diligence activities carried out by the managers, if any, to be described]

The Recipient acknowledges and accepts the risks associated with the fact that only limited investigations have been carried out. The Recipient will be required to conduct its own analysis and acknowledges and accepts that it will be solely responsible for its own assessment of the Company, the Private Placement, the market, the market position of the Company, the Company's funding position, and the potential future performance of the Company's business and securities.

NO REPRESENTATION OR WARRANTY / DISCLAIMER OF LIABILITY

To the best knowledge of the Company, the information contained in this Presentation is in all material respect in accordance with the facts as of the date hereof, and contains no material omissions likely to affect its import. However, none of the Company, the Managers or any of their respective parent or subsidiary undertakings or affiliates, or any directors, officers, employees, advisors or representatives of any of the aforementioned (collectively the **"Representatives"**) make any representation or warranty (express or implied) whatsoever as to the accuracy, completeness or sufficiency of any information contained herein, and nothing contained in this Presentation is or can be relied upon as a promise or representation by the Company, the Managers or any of their Representatives.

None of the Managers or any of their Representatives shall have any liability whatsoever (in negligence or otherwise) arising directly or indirectly from the use of this Presentation or its contents or otherwise arising in connection with the Private Placement, including but not limited to any liability for errors, inaccuracies, omissions or misleading statements in this Presentation.

Neither the Company, nor the Managers, have authorised any other person to provide investors with any other information related to the Transaction or the Company and neither the Company nor the Managers will assume any responsibility for any information other persons may provide.

RISK FACTORS

An investment in the Company involves risk, and several factors could adversely affect the business, legal or financial position of the Company or the value of its securities. The Recipient should carefully review the chapter "Risk Factors" in this Presentation for a description of certain of the risk factors that will apply to an investment in the Company's securities. Should one or more of these or other risks and uncertainties materialise, actual results may vary materially from those described in this Presentation. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of their investment.

NO UPDATES

This Presentation speaks as at the date set out on its front page. Neither the delivery of this Presentation nor any further discussions of the Company or the Managers with the Recipient shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since such date. Neither the Company nor the Managers assume any obligation to update or revise the Presentation or disclose any changes or revisions to the information contained in the Presentation (including in relation to forward-looking statements).

Important information (II)

Disclaimer

NO INVESTMENT ADVICE

The contents of this Presentation shall not be construed as financial, legal, business, investment, tax or other professional advice. The Recipient should consult its own professional advisers for any such matter and advice.

FORWARD LOOKING STATEMENTS

This Presentation contains certain forward-looking statements relating to inter alia the business, financial performance and results of the Company and the industry in which it operates. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words “believes”, “expects”, “predicts”, “intends”, “projects”, “plans”, “estimates”, “aims”, “foresees”, “anticipates”, “targets”, and similar expressions.

Any forward-looking statements contained in this Presentation, including assumptions, opinions and views of the Company or cited from third party sources, are solely opinions and forecasts and are subject to risks (including those described in the chapter "Risk Factors" in this Presentation), uncertainties and other factors that may cause actual results and events to be materially different from those expected or implied by the forward-looking statements. None of the Company or the Managers or any of their Representatives provides any assurance that the assumptions underlying such forward-looking statements are free from errors nor do any of them accept any responsibility for the future accuracy of opinions expressed in this Presentation or the actual occurrence of forecasted developments.

CONFLICT OF INTEREST

The Managers or its employees may hold shares, bonds, options or other securities of the Company and may, as principal or agent, buy or sell such securities. The Managers may have other financial interests in transactions involving such securities.

DISTRIBUTION AND SELLING RESTRICTIONS

None of the Company or the Managers or any of their Representatives have taken any actions to allow the distribution of this Presentation in any jurisdiction where any action would be required for such purposes. The Presentation has not been registered with, or approved by, any public authority, stock exchange or regulated market. The distribution of this Presentation, as well as any subscription, purchase, sale or transfer of securities of the Company, may be restricted by law in certain jurisdictions, and the Recipient should inform itself about, and observe, any such restriction. Any failure to comply with such restrictions may constitute a violation of the laws of any such jurisdiction. None of the Company or the Managers or any of their Representatives shall have any responsibility or liability whatsoever (in negligence or otherwise) arising directly or indirectly from any violations of such restrictions.

In the event that this Presentation is distributed in the United Kingdom, it shall be directed only at persons who are (i) persons who are outside the United Kingdom (the "UK") or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "Relevant Persons"). Any person in the United Kingdom who is not a Relevant Person must not act or rely on this Presentation or any of its contents. Any investment or investment activity to which this Presentation relates will in the United Kingdom be available only to Relevant Persons and will be engaged in only with Relevant Persons. This Presentation is not a prospectus for the purposes of Section 85(1) of the UK Financial Services and Markets Act 2000, as amended ("FSMA"). Accordingly, this Presentation has not been approved as a prospectus by the UK Financial Conduct Authority ("FCA") under Section 87A of FSMA and has not been filed with the FCA pursuant to the UK Prospectus Rules nor has it been approved by a person authorised under FSMA.

This Presentation does not constitute an offer of securities for sale into the United States. The securities described herein have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred except (i) within the United States to QIBs in reliance on Rule 144A or another applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act or (ii) to certain persons in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.

The Recipient warrants and represents that (i) if it is located within the United States and/or is a U.S. person or in the United States, it is a QIB, (ii) if it is a resident in the United Kingdom, it is a Relevant Person.

GOVERNING LAW AND JURISDICTION

This Presentation is subject to Norwegian law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Norwegian courts.

Risk factors (1:5)

Risks relating to the Shares and the business of the Company

An investment in the shares of the Company (the **"Shares"***) involves inherent risks. Prospective investors should carefully consider, among other things, the risks outlined in this section, as well as the information contained elsewhere in the Presentation, before deciding whether or not to invest in the Shares. If any of the following risks were to materialise, this could have a material adverse effect on the Company, its financial condition, results of operations, liquidity and/or prospects, the trading value of the Shares could decline, and investors may lose all or part of their investment. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude of their potential impact on the Company. Additional risks not presently known to the Company or that the Company currently deems immaterial, may also impair the Company's business operations and adversely affect the price of the Shares. If any of the following risks occur, the Company's business, financial position and operating results could be materially and adversely affected.*

The information herein is presented as of the date hereof and is subject to change, completion or amendment without notice.

All forward-looking statements included in this document are based on information available to the Company on the date hereof, and the Company assumes no obligation to update any such forward-looking statements. Forward-looking statements will however be updated if required by applicable law or regulation. Investors are cautioned that any forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties and that actual results may differ materially from those included within the forward-looking statements as a result of various factors. Factors that could cause or contribute to such differences include, but are not limited to, those described in this Presentation.

RISKS RELATING TO THE SHARES

The Shares are quoted on NOTC, but not listed on any regulated market or multilateral trading facility. The market price of the Shares may fluctuate significantly / rapidly as a result of, inter alia, the factors mentioned below:

- Differences between the actual financial and operating results and those expected by investors and analysts;
- Perceived prospects for the business and operations and the banking industry;
- Announcements by the Company or competitors of significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments;
- Changes in operating results;
- Changes in securities analysts' estimates of financial performance and recommendations;
- Changes in market valuation of similar companies;
- Involvement in litigation;
- Additions or departures of key personnel;
- Changes in regulations involving the financial sector/banks; and
- Changes in general economic conditions.

Negative publicity or announcements, including those relating to any of the Company's substantial shareholders or key personnel may adversely affect the price of the Shares, whether or not this is justifiable. Such negative publicity or announcement may include involvement in insolvency proceedings, failed attempts in takeovers or joint ventures etc.

Shareholders outside of Norway

The Shares are priced in Norwegian kroner (**"NOK"**), and any future payments of dividends on the Shares will be denominated in NOK. Accordingly, investors outside of Norway are subject to adverse movements in NOK against their local currency as the foreign currency equivalent of any dividends paid on the Shares or received in connection with any sale of the Shares could be adversely affected.

Dividends

The general meeting of the Company determines, following proposal by the board of directors, the amount, if any, that shall be distributed as dividends. The general meeting may not declare higher dividends than proposed by the board of directors . If, for any reason, the general meeting does not declare dividends, the shareholders will have no claim in respect of such non-payment, and the Company will have no obligation to pay any dividend. The level of dividend payments or the absence of dividend payments may have a negative effect on the market value of the Shares.

RISK RELATING TO THE BUSINESS OF THE COMPANY AND THE INDUSTRY IN WHICH THE COMPANY OPERATES

Limited operational history

The Company was established in 2016 and received its banking license from the Norwegian Financial Supervisory Authority (the **"NFSA"**) in October 2017. The conditions for the licence and start of the Company's operations were approved in March 2018 and the Company purchased its first invoices in a pilot phase in April 2018. Consequently, the Company has limited financial records and operational track record upon which investors may evaluate the Company's likely performance.

Competition

Aprila faces competition from both domestic, Nordic and international banks and other suppliers of lending and domestic, Nordic and international banks taking deposits from the public. If the Company is unable or perceived to be unable to compete efficiently, its competitive position may be adversely affected, which as a result, may have a material adverse effect on the Company's business, results of operations and/or financial condition.

Risk related to the ongoing Covid-19 pandemic

The Company is exposed to risks both caused by the Covid-19 pandemic and by the measures and recommendations implemented by the government. Although it is too early to conclude on the effect of the ongoing pandemic, it seems apparent that several businesses have had profitability reduced or incurred losses due to altered customer behaviour and restrictions imposed to impede the spread of Covid-19. A potential consequence of the Covid-19 pandemic may therefore be increased losses for the Company due to customers being unable to settle their debt. Furthermore, the additional risks stemming from the Covid-19 pandemic may cause the Company to implement a stricter credit assessment protocol and thereby potentially reduce the extent of the Company's operations. In addition, given the uncertainty related to the Covid-19 pandemic, the Company's customers may seek to reduce their investments and cost base, and thereby reduce the need for the Company's services. As a result, the Covid-19 pandemic may have a material adverse effect on the Company's business, results of operations and/or financial condition.

Risk factors (2:5)

Risks relating to the business of the Company

Market cyclicality and general economic conditions

The Norwegian banking market is historically cyclical with operating results of financial enterprises having fluctuated significantly because of volatile and sometimes unpredictable events, some of which are beyond direct control of the Company. Thus, future events may have material adverse effect on the Company's planned business, financial condition, results of operations and/or prospects.

Moreover, Aprila's profits are highly sensitive to the macroeconomic development such as GDP development, interest rate levels, and currency rate development. A decline in the economy may result in weaker growth, higher losses and weaker earnings, and it may make it difficult to raise capital at the same time. By way of examples, an increase in interest rate levels may reduce margins, increase the risk of credit losses and/or result in reduced willingness to take up new loans, increased unemployment is likely to increase overall loan losses, while lower economic activity dampens growth.

In addition, deterioration in economic conditions in the Eurozone, including macroeconomic or financial market instability may pose a risk to the Company's business. Should the economic conditions in the Eurozone deteriorate, the macroeconomic risks faced by the Company would be exacerbated given the influence the Eurozone has on performance of the Norwegian economy, and may have an adverse impact on spending, repayment behaviour and/or demand for credit in the Norway, any of which could have material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

IT / infrastructure systems

The Company is a bank designated for the SME segment with the ambition to offer this segment broader solutions through the use of modern and efficient IT systems and processes. Further, the technological platform comprises both internally developed systems as well as third party solutions and the Company will therefore rely heavily on both internal processes and systems as well as processes and systems delivered or hosted by third parties and on well-functioning interfaces between the different systems and processes. Thus, the Company is exposed to the risk of failure or inadequacy in these systems, related processes or interfaces.

Further, any future changes in regulatory or operational requirements may imply material changes to the Company's IT systems and processes and could further lead to a change in the systems and solutions provided to the Company by its third party providers. Such changes may be costly and/or may interfere negatively with other systems and/or processes and may adversely affect the Company's ability to deliver needed functionality and/or services.

The Company's ability to carry out its business concept may be adversely impacted by a disruption in the infrastructure that supports the business of the Company. Any failure, inadequacy, interruption or security failure of those systems, or the failure to seamlessly maintain, upgrade or introduce new systems, could harm the Company's ability to effectively operate its intended business and increase its expenses and harm its reputation. There is a risk that customers, as a result of interruptions in the services, will terminate their relationship with the Company. These risks may in turn have a material adverse effect on the Company's financial condition, results of operations and/or prospects.

Vulnerability to cyber-attack and security breaches

Due to its reliance on digital solutions and interfaces, the Company is exposed to risk of cyber crime in the form of, for example, Trojan attacks, phishing and denial of service attacks. The nature of cyber crime is continually evolving. The Company relies in part on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential customer information, such as personal identifiable information, personal financial information, payment card data, account transcripts and loan and security data. It further relies on third parties for hosting and servicing. Despite the security measures in place, the Company's facilities and systems, and those of its third party service providers, may be vulnerable to cyber-attacks, security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors which exposes the Company for cyber crime and/or other similar events.

If one or more of such events occur, any one of them could potentially jeopardise confidential and other information related to the Company, its customers and its counterparties. Any security breach involving the misappropriation, loss or other unauthorised disclosure of confidential information, whether by the Company or its vendors, could damage the Company's reputation, expose it to litigation, increased capital requirements or sanctions from the NFSA, disrupt its operations or affect the Company negatively in other ways, hereunder that the Company may also be required to spend significant additional resources to modify its protective measures or to investigate and remediate vulnerabilities or other exposures. This could in turn have a material adverse effect on the Company's business, results of operations, financial position and/or prospects.

Risks associated with outsourcing

The Company outsources certain tasks to third parties, other than the processes delivered or hosted by third parties as described in the risk factor "IT / infrastructure systems" above. In the event that the current outsourcing becomes unsatisfactory, are terminated or the Company's outsourcing partners are unable to fulfil their obligations, there is a risk that the Company may be unable to locate new outsourcing partners on economically attractive terms and/or experiences unsatisfactory service levels or even disruptions in its business critical services and operations, hereunder distribution and servicing of the Company’s products, customers’ accounts and/or puts the Company in a situation where it is unable to fulfil its regulatory obligations towards customers and/or authorities.

Distributors

The Company relies partly on distributors to market the Company's products. Termination of or any change to these relationships may have a material adverse effect on the Company's business, results of operations and overall financial condition.

Credit and concentration risk

The Company is exposed to credit risk, which is the risk of losses due to the failure of a customer to meet his or her obligations and the collateral not covering the obligations. In addition, concentration risk is the risk of negative development of an entire sector or correlated loans.

Risk factors (3:5)

Risks relating to the business of the Company

Adverse changes in the credit quality or behaviour of the Company's potential borrowers or other counterparties could reduce the value of the Company's assets and increase the Company's write-downs and allowances for impairment losses. The overall credit quality profile of the Company's potential borrowers and other counterparties can be affected by a range of macroeconomic events and other factors, including increased unemployment, reduced asset values, lower consumer spending, increased customer indebtedness, increased interest rates and/or higher default rates.

Liquidity risk

The Company is dependent on access to sufficient liquidity on acceptable terms in order to be able to meet its obligations as they fall due. This liquidity risk is inherent in banking operations and can be heightened by a number of enterprise-specific factors, including over-reliance on a particular source of funding (including, for example, short-term and overnight funding), changes in credit ratings or market-wide phenomena such as market dislocation and major disasters. Furthermore, the Company is dependent on sufficient funding in order to carry out its lending business.

The Company's funding requirements are primarily intended to be covered through customer deposits. Deposits are subject to fluctuation due to certain factors outside the Company's control, such as loss of customer confidence and competitive pressures, and as a result, the Company could experience a significant outflow of deposits within a short period of time.

Market risk

Market risk is the potential loss caused by changes in market prices such as changes in prices of securities, widening credit spreads, changes in interest rates, and fluctuations in currency exchange rates. The Company's exposure to market risk is related to the Company's holding of financial assets, including changes in interest rates and credit spreads in relation to the holding, as well as interest rate risk relating to the deposits and loans.

Fluctuations in market prices may lead to losses for the Company.

Operational risks related to systems and processes and inadequacy in internal control procedures

The Company's business is exposed to operational risks related to systems and processes, whether people related or external events, including the risk of fraud and other criminal acts carried out against the Company. Its business is dependent upon accurate and efficient processing and reporting of a high volume of complex transactions across numerous and diverse products and services. Any weakness in these systems or processes could have an adverse effect on the Company's results and on its ability to deliver appropriate customer service levels during the affected period. In addition, any breach in security systems, for example from increasingly sophisticated attacks by cybercrime groups could disrupt its business, result in the disclosure of confidential information and create significant financial and/or legal exposure and the possibility of damage to the Company's reputation and/or brand.

There can be no assurance that the risk controls, loss mitigation and other internal controls or actions that are applied by the Company could help prevent the occurrence of a serious disaster resulting in interruptions, delays, the loss or corruption of data or the cessation of the availability of systems. Furthermore, risk management methods may rely on estimates, assumptions and information that may be incorrect or outdated. If the risk management is insufficient or inadequate, this could have a material adverse effect on the Company.

Risk that capital in the future may not be available on attractive terms, or at all

It cannot be ruled out that the Company may need to obtain additional capital in the future, e.g. due to reduced margins, operational losses above expectations, negative credit risk migration, growth above expectations, or other factors affecting its capital adequacy and/or stricter capital adequacy requirements. Such capital, whether in the form of subordinated debt, hybrid capital or additional equity, may not be available on attractive terms, or at all.

Further, any such development may expose the Company to additional costs and liabilities and require it to change the manner in which it conducts its business or otherwise have a material adverse effect on its financial position, results of operations and/or prospects.

Key Employees and ability to attract, develop and retaining qualified personnel

The Company is a relatively small company with a lean organisation and is therefore sensitive to losing key employees and management. Loss of key employees and management could have a material adverse effect on the continued success of the Company's business, financial position, results of operations and/or prospects. Further, the Company may be dependent on attracting qualified personnel if the Company's business expands pursuant to the business plan. Thus, this risk relates both to the continued operation of its ongoing business and to its ability to develop the business over time.

Litigation, claims and compliance risks

The Company may in the future become involved in various disputes and legal, administrative and governmental proceedings in Norway and other jurisdictions that potentially could expose the Company to losses and liabilities.

Money laundering

In general, the risk that banks will be subjected to or used for money laundering has increased worldwide. The turnover of employees can create challenges in consistently implementing related policies and technology systems. The risk of future incidents in relation to money laundering always exists for financial enterprises. Any violation of anti-money laundering rules, or even the suggestion of violations, may have severe legal and reputational consequences for the Company and may, as a result, adversely affect the Company's business and/or prospects.

Systemic risk

Given the high level of interdependence between financial enterprises, the Company will be subject to the risk of deterioration of the commercial and financial soundness, or perceived soundness, of other financial enterprises. Within the financial services industry, the default of any one enterprise could lead to defaults by other enterprises. Concerns about, or a default by, one enterprise could lead to significant liquidity problems, losses or defaults by other enterprises. This risk is sometimes referred to as "systemic risk".

Systemic risk could have a material adverse effect on the Company.

Risk factors (4:5)

Risks relating to laws and regulations

The Company is exposed to changes in banking and financial services regulations and changes in the interpretation and operation of such regulations

Norwegian authorities may at any time, within the framework of the EEA Agreement, introduce regulations or implement financial or monetary policy measures, including changes in tax, VAT and currency laws, which could affect the Company's income and costs. An example of this is the taxation of dividends. The authorities may also introduce other measures that may affect the Company's operations, for example through stricter solvency requirements or other specific requirements. Through its control of the supervisory and management institutions in the money and credit markets, the authorities will also be able to make allocations that directly affect the Company's operations. For example, the introduction of increased or new tax rates for the financial industry could help to weaken the Company's operations, results, liquidity, financial position and / or prospects.

In recent years, financial regulation in the EEA area has been considerably expanded. Supervision of the financial industry has also been significantly strengthened. The aim of the EU authorities is that once the so-called Basel III rules and principles are adopted and national implementation is completed, the likelihood and extent of crises in the financial sector will be reduced. In the EEA area, the Basel III rules were implemented through the credit institution directive and regulation (CRR/CRD IV), which was incorporated into the EEA agreement on 29 March 2019 and in Norway with effect from 31. December 2019.

For the financial industry, new/changed framework conditions according to CRR/CRD IV and other EU-regulations include inter alia: (i) Increased core capital adequacy requirements; (ii) New requirements for the composition of core capital; (iii) Increased liquidity management requirements and liquidity buffers; (iv) Introducing a capital requirement on a non-risk weighted basis; and (v) Changes in capital requirements and a "prudential backstop" for non-performing loans.

New regulations, based on e.g. EU directive (BRRD, directive 2014/59/EU) are expected to result in lower likelihood for a state bail-out of banks, and accordingly, shareholders and creditors may be the ones to bear losses. This may negatively affect new funding and raising of new equity capital.

Changes in banking and financial services regulations and changes in the interpretation and operation of such regulations is considered the most significant risk related to regulatory risk as this will affect the Company's ability to grow, raise capital and pay dividend.

The Company may also be affected by Directive 2014/749/EC which imposes a harmonised level of deposit guarantee of EUR 100 000. It is currently unclear whether Norway may uphold its current level of deposit guarantee after this date. For the time being, the Norwegian guarantee scheme provides for a deposit guarantee of NOK 2 million. The Norwegian Guarantee Fund provides banks deposit guarantees if banks are unable to meet its commitments. A change in the Norwegian deposit guarantee scheme may have a material adverse effect on the Company's funding.

The Company is subject to regulatory capital adequacy requirements and an increased level of expected risk or changes in the requirement as such could lead to an increase in its capital adequacy requirements

The Company is subject to regulatory capital adequacy requirements and an increased level of expected or perceived risk or changes in the requirement as such could lead to an increase in its capital adequacy requirements.

The global financial market turbulence in 2008-2009 gave rise to international focus on certain issues identified as contributors to the crisis. This resulted in the Basel III accord and subsequent changes in the European regulatory framework including the new capital adequacy rules known as CRD IV/CRR, that are also implemented in Norway.

The Company may in the future be subject to further increases in capital and liquidity requirements as well as other regulatory requirements and constraints concerning increased capital requirements pursuant to Pillar 1. Moreover, the NFSA may impose stricter capital requirements for the Company pursuant to the specific risks relating to the Company's operations under the Pillar 2 assessment. A stricter capital requirement, or any such requirements as mentioned above, could have material adverse effect on the Company's financial position and profitability.

The implementation of BRRD may impact the debt funding

It is expected that the implementation of the EU Banking Recovery and Resolutions Directive ("**BRRD**"), which entered into force in Norway on 1 January 2019, may impact the senior debt funding for banks and lead to added regulatory requirements on a number of banks. BRRD requires banks to draw up recovery plans to be scrutinised by regulators, and introduces inter alia the bail-in tool whereby the regulators can affect a write-off of unsecured senior debt (including senior non-preferred/Tier 3 debt) or conversion into equity in a financial distress scenario. Consequently, under BRRD, any perceived uncertainty regarding a bank's financial position may significantly limit its access to senior debt funding. Thus, the Company may be subject to increased costs of unsecured senior bank debt in the future and this may adversely affect the Company's access to senior debt funding. Regulators may require banks to hold a specific amount of own funds and bail in-able debt, including senior non-preferred debt in the case the resolution plan drawn up by the crisis management authority (Finanstilsynet) identifies the bail-in tool to be applicable to the Company in case of a crisis.

Risk factors (5:5)

Risks relating to laws and regulations and other risks

The Company will be subject to the Norwegian provisions on ownership control

Pursuant to the Norwegian Act on Financial Enterprises and Financial Groups of 10 April 2015 No. 17 ("**FEA**"), acquisition of qualifying holdings in a financial enterprise is subject to prior approval by the Norwegian Ministry of Finance or the Norwegian FSA. A qualifying holding is a holding that represents 10% or more of the capital or voting rights in a financial enterprise or allows for the exercise of significant influence on the management of the enterprise and its business. Approval may only be granted if the acquirer is considered appropriate according to specific non-discriminatory tests described in the FEA (the so-called "fit and proper" test). Any person intending to acquire 10% or more of the capital or voting rights of the Company, following the initiation of its banking license, must be explicitly approved as applicable by the NFSA and/or the Norwegian Ministry of Finance, before the transaction can be carried through. Such persons run a risk that their application for approval is denied or that Norwegian authorities impose unfavourable conditions related to an approval.

The share capital of the Company may be written down by the Company's shareholders or the Norwegian authorities under the Act on Financial Enterprises and Financial Groups

The share capital of the Company, following the initiation of the banking activities, may be written down by the shareholders of the Company or by the Norwegian authorities pursuant to powers granted to them under Chapter 21 FEA.

OTHER RISK

Difficulties for foreign investors to enforce non-Norwegian judgements

The Company is organised under the laws of Norway. Currently, the majority of the Company's board of directors is residents of Norway, and the vast majority of its assets are in Norway. As a result, it may not be possible for non-Norwegian investors to affect service of process on the Company or the Company's directors in the investor's own jurisdiction, or to enforce against them judgments obtained in non- Norwegian courts. However, Norway is party to the Lugano Convention and a judgment obtained in another Lugano Convention state will in general be enforceable in Norway. However, there is no regulation providing for general recognition or enforceability in Norway of judgments of non-Lugano Convention state courts, such as the courts of the United States.

Norwegian law may limit the shareholders' ability to bring an action against the Company

The Company is a public limited company incorporated under the laws of Norway. The rights of holders of Shares are governed by Norwegian law and by the Articles of Association. These rights differ from the rights of shareholders in typical US corporations. In particular, Norwegian law limits the circumstances under which shareholders of Norwegian companies may bring derivative actions. Under Norwegian law, any action brought by a company in respect of wrongful acts committed against the company takes priority over actions brought by shareholders in respect of such acts. In addition, it may be difficult to prevail in a claim against the Company under, or to enforce liabilities predicated upon, U.S. securities laws.

Table of contents

Overview

Table of contents

Aprila in brief

Product and technology company aiming to reinvent SME banking and enable new job creation

Making credit available for a large underserved SME market

- Offering credit to customers where they are, when they need it
- Transparent and understandable pricing; no access fees or lock-in periods
- Credit assessment based on live data from online accounting systems

Leveraging technology to create competitive advantage

- Scalable architecture developed in-house; integrations through APIs
- In-house developed data warehouse; enables data-driven decision making and facilitates powerful predictive analytics
- Real-time credit scoring and pricing based on machine-learning technology

Two products and access to ~130,000 SMEs

- Commenced operations in Q2 2018, launching spot factoring integrated in Tripletex (online accounting system)
- Expanding from one product in one distribution channel to three products and six channels during 2020
- Credit line up to NOK 500k launched in Tripletex on 16 Dec 2019 and in own channels (kassekreditt.no) 20 Dec 2019

Key figures

# of SME customers (31 Mar 2020)	**1,207**
Average net loans per customer (NOK, 31 Mar 2020)	**~47 000**
Gross income per customer (NOK, annual run-rate Q1 20)[1]	**~15 400**
Yield on net loans (Q1 20, annualised)	**32.0%**
Funding cost (p.a.)	**2.2%**

Note 1: Annualised gross income in the period divided by average number of unique customers in the period.

Market opportunity

A large market with few challengers

Market status

	TRADITIONAL BANKING				aprila
		BUSINESSES			
	RETAIL	Large	Medium	Small[2]	SME
Processes	Digital, automated	Manual and paper-based	Manual and paper-based	Non-existing	Digital, automated
Customer experience	Self service, easily available	Pro-active, relationship banking	Re-active, slow, relationship banking	Non-existing	Self service, easily available
Competition	High	High	Medium	Low	Low
Captured share of market[1]	100 %	100 %	98 % / 2 %	75 % / 25 %	86 % / 14 %
=	**Automated processes required for profitability**	**Manual processes justified by large loan sizes**	**Manual processes require high loan margins for profitability**	**Large funding gap (EUR 450 bn)**	**Automating processes where loan margins reflect manual processes**

Market size[1] (EUR, outstanding credit)

Euro area consumer credit[1,3]

12% of total household lending

12 % / 88 % — 5.9bn

EUR ~720 bn[5]

Selected challengers

Klarna, Revolut, monzo, N26, Marcus: by Goldman Sachs, BNEXT, banknorwegian.no

European SME credit[1,4]

33% of the total SME lending market

33 % / 67 % — 3.5bn

EUR ~1,200 bn

Selected challengers

aprila, OakNorth, qred

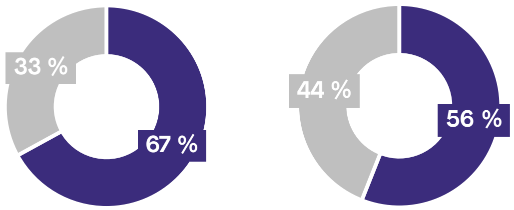
Note 1: Company estimates based on EBA Consumer trends report 2018/2019, ECB Statistical Data Warehouse, OECD Financing SMEs and Entrepreneurs 2019 and The View 2019 (Euler Hermes, Allianz), Filling the bank financing gap. || Note 2: Small (<50 FTES and turnover <= EUR 10m) and Micro (<10 FTEs and turnover <= EUR 2m) || Note 3: Credit not guaranteed by mortgages, i.e. personal loans, car finance and revolving credit. || Note 4: Short-term SME credit estimated to 1/3 of the total SME lending market of EUR 3,500 bn, of which EUR 3,000 bn is captured. || Note 5: ECB: EUR 717 bn in the Euro area as of Oct 2019.

Motivation

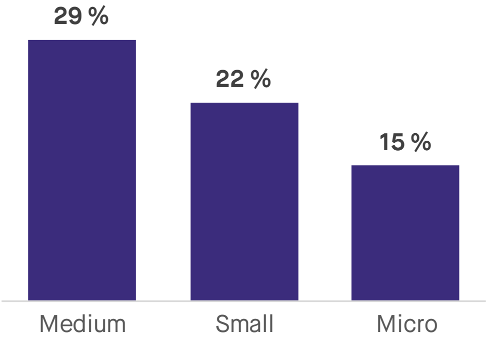
SMEs are the backbone of the European economy, but lack of financing results in stagnant growth

SMEs share of the European economy[1]

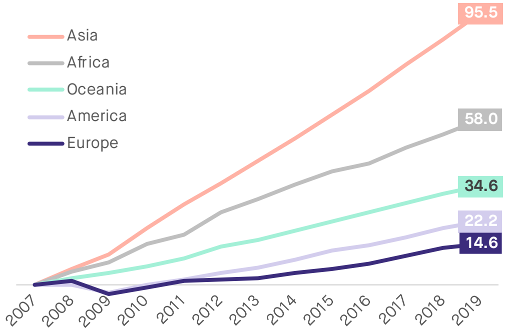
Employment | **Value creation**



Share of European SMEs with bank loans[2]



Acc. GDP growth since the financial crisis (%)[3]



SMEs constitute 67% of employment and 56% of the value creation in Europe...

...but lack access to funding...

...which contributes to a stagnant growth in the European economy

Sources: 1) EIF European Small Business Finance Outlook December 2019. 2) EIF European Small Business Finance Outlook June 2018. 3) IMF DataMapper.

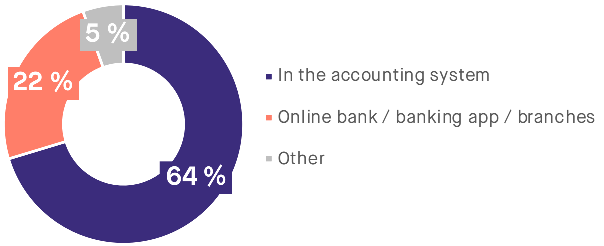
Strategy

Deliver frictionless and integrated banking services to SMEs in interfaces they already use

Problem

SMEs don't want to go to a bank, or use their apps[1]

«If you could access all your banking services in one interface, which interface would you prefer?»



Traditional banks are not able to serve SMEs

- Traditional banks have limited and outdated insights into the financial status of SME customers → high risk aversion, low lending approval rates
- Manual onboarding and case handling → poor customer experience and slow response times
- Low ticket size of SME loans, and high cost to serve → unprofitable for banks to lend money to SMEs

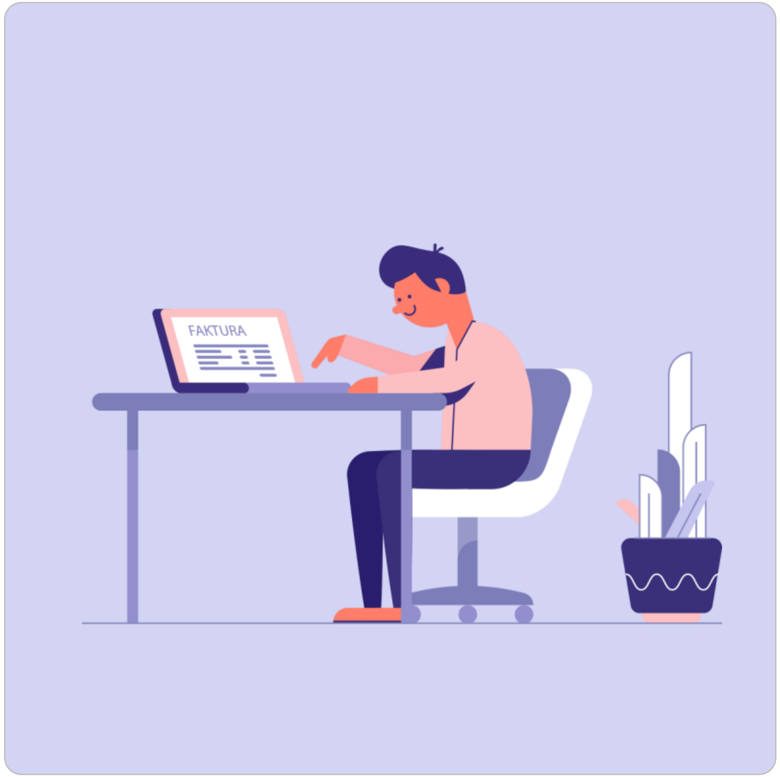
Solution

Provide credit where SMEs want it, and when they need it	• Offer banking and payment services through APIs inside the applications the SMEs are already using, e.g. invoicing systems, accounting systems, ERP systems, POS solutions, e-commerce solutions • Provide credit and payment opportunities in the time of need, e.g. at point of sale or when funds are insufficient to pay large bills
Use real time accounting and transaction data	• Customers give their consent to share accounting and transaction data from their respective systems in order to access Aprila credit and payment services • Aprila receives real time customer accounting data and transaction history from the partner systems that have integrated with Aprila's APIs
Automate pricing and decision making	• More than 50 different machine learning and expert models running in production, analysing accounting and transaction data to calculate prices (risk adjusted interest rates) and make credit decisions automatically to enable seamless and real-time customer experience and usage
Eliminate friction and manual labour	• End-to-end automation of Aprila side processes to reduce cost to serve and provide instant customer self-servicing • Financial costs are automatically booked in the customer's accounting system
Distribute through partners to minimise cost and risk	• Keep Aprila organisation size, cost and risk at a minimum through partners; re-use and leverage other companies' technology, data, customer interfaces and distribution channels • Typical Aprila partners are accounting systems, ERP systems (accounting, invoicing, transactions), payment infrastructure companies, e-commerce platforms, POS solutions, accounting offices and traditional banks

Note 1: Source: Itera - Smart Banking Survey of Norwegian SMEs, winter 2020

Table of contents

Overview



Highlights Q1 2020

Summary

Q1 20

NOKm	Q4 19	Q1 20
Purchased amount	112	97
Gross loans	42	58
Gross income from lending	3.3	3.9
Total income	2.3	2.6
Pre-tax operating profit	-11.5	-12.8
Yield on avg. net loans	37 %	32 %

LTM

	LTM ending	
NOKm	Q1 19	Q1 20
Purchased amount	219	389
Gross loans	32	58
Gross income from lending	5.3	11.8
Total income	4.3	8.6
Pre-tax operating profit	-30.9	-39.2
Yield on avg. net loans[1]	23 %	30 %

50% customer growth in the quarter

- At the end of Q1 20, Aprila had 1,207 customers
- Net 405 customers (+50%) were added in the quarter
- Visma eAccounting accounted for 55% of the growth following the spot factoring launch mid Feb

Signed ten new distribution agreements and was recently allocated NOK 75m of the government guarantee program for SMEs

- Two new agreements for distribution of spot factoring (Moment Team and Recman)
- Eight new agreements for distribution of credit line (Storebrand, Visma eAccounting, Xledger, Amesto[2], Intunor, Nimbus, ECIT and Tet)
- On 12 May, Aprila was allocated NOK 75m of the government guarantee program for SMEs[3], as a result of a campaign where we were pre-allocated a new share of the program and issued NOK 12m in new government guaranteed credit lines in three days

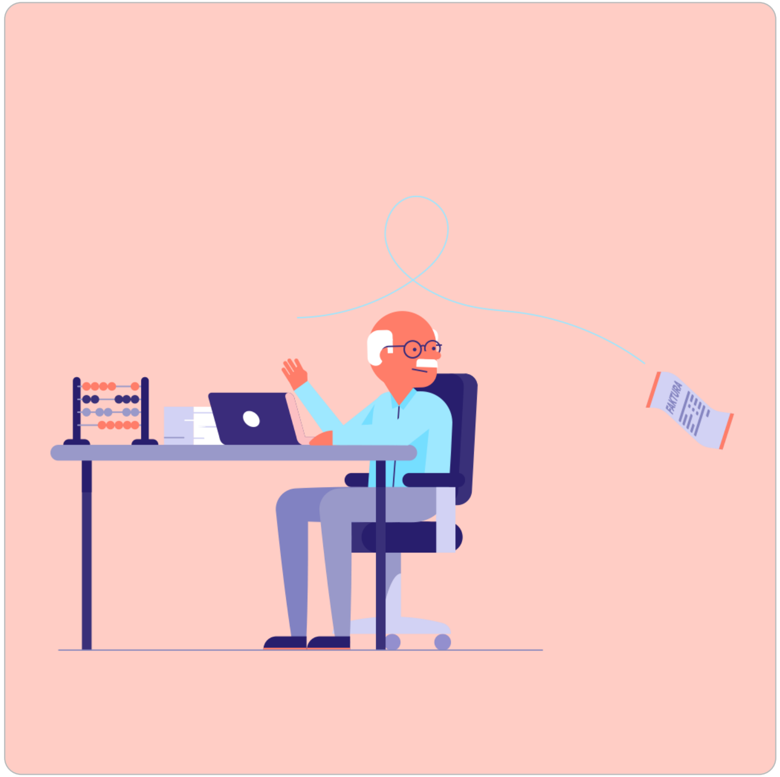
Share placement of NOK 25 – 40 million to cover expected growth in lending volumes

- Due to the expected growth in lending volumes, Aprila contemplates to raise NOK 25 - 40 million in new equity
- The company has received firm feedback from existing shareholders covering the minimum transaction size
- Subscription period commences today

Note 1: Gross income from lending divided by average net loans in the period. || Note 2: Through separate agreements with Amesto Accounthouse, Amesto Firstpoint, Amesto Nextbridge and Amesto Solutions. || Note 3: Under the government guarantee program, the government covers 90% of the loan losses, given that the credit is granted in accordance with the terms of the program. The risk-weight of these loans is 7.619% vs. 76.19% for ordinary SME loans.

Table of contents

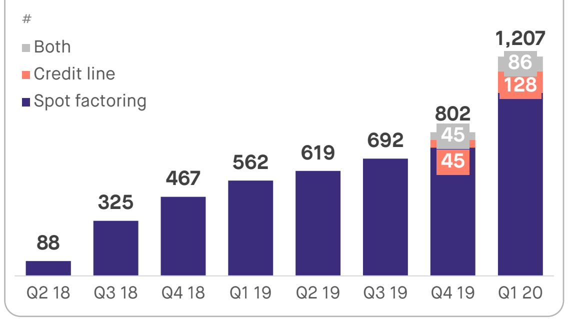
Overview



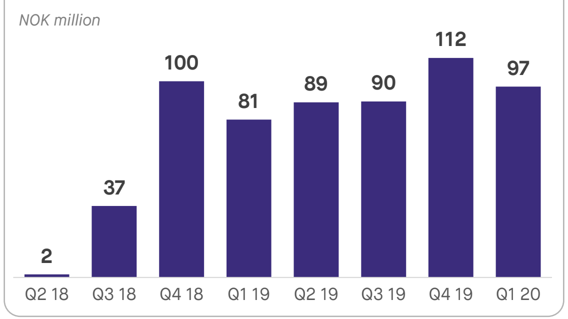
Key figures

1,207 customers and NOK 58m in gross loans at EOP

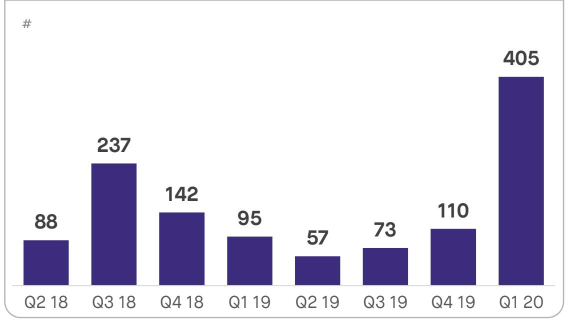
Net customers accumulated[1]



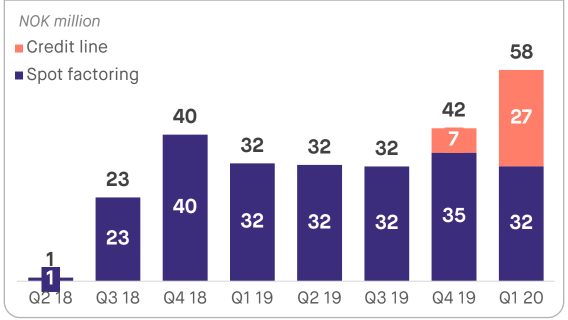
Purchased amount[2]



Net new customers[3]



Gross loans by product



Key comments

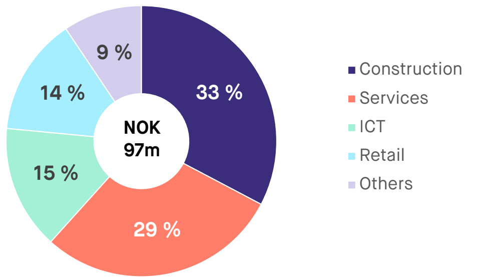
- 1,207 customers at EOP
- NOK 97m purchased
  - Credit rules were tightened primo March; resulted in lower approval rates
  - Prices were also increased to account for higher risk due to Covid-19
  - Based on our customers' accounting data from the past two months, we decided this week to increase our risk appetite again and have implemented a new rule set and a new pricing level
- Net 405 new customers (+50%)
  - Visma eAccounting accounted for 55% of the new customers added in the quarter (spot factoring launched mid Feb)
- NOK 58m in gross loans at EOP of which NOK 27m in credit line

Note 1: Customers at EOP, net of closed accounts. || Note 2: Nominal amount of invoices purchased in the period. || Note 3: New customers onboarded in the period, net of closed accounts.

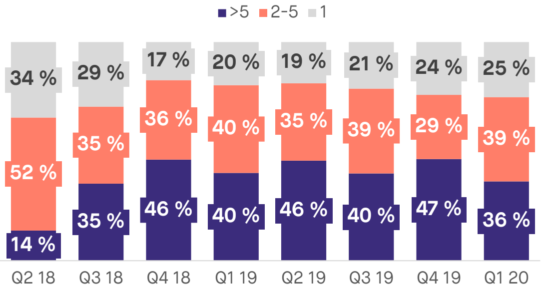
Spot factoring | Active customers

~62% of the spot factoring customers have sold invoices

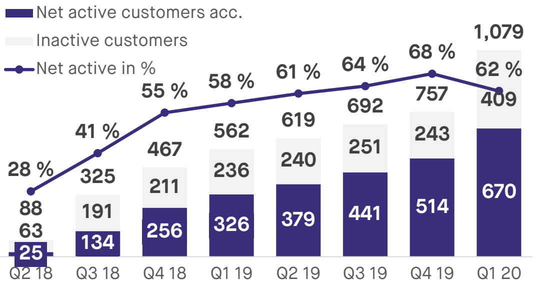
Purchased amount by customer industry (Q4 19)



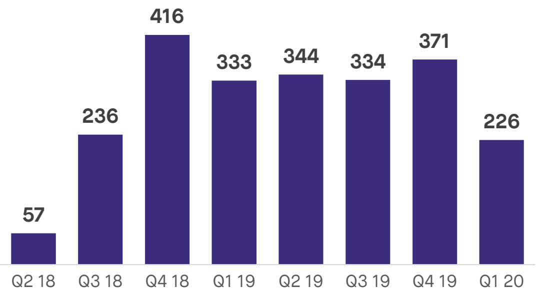
Active customers[1] by # of sold invoices



Active customers[2] vs. total net customers



Purchased per active customer account[3]



Key comments

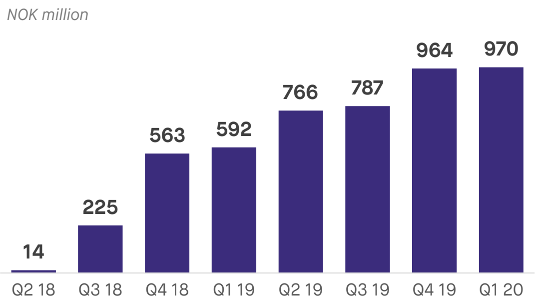
- Construction, services and ICT accounted for 77% of purchased amount in Q1 (78% in Q4 19)
- 75% of the active customers sold two invoices or more (76% in Q4 19)
- 670 of 1,079 open customer accounts (62%) had sold invoices at EOP
- 432 customers sold invoices in Q1 (302 in Q4 19)
- NOK 226 purchased per customer active in the period
  - The dip from Q4 19 is a result of the (relatively) steep increase in the number of new active customers and lower conversion rate[4]
  - The lower conversion rate is a result of the tightened credit rules (lower approval rate) and lower take-up rate (most likely due to higher prices)

*Note 1: Active customers = customers who have sold one invoice or more. || Note 2: Net active customers acc. = Active customer accounts at EOP. || Note 3: Purchased amount in the period divided by customers active in the period. || Note 4: conversion rate = approval rate * take up rate*

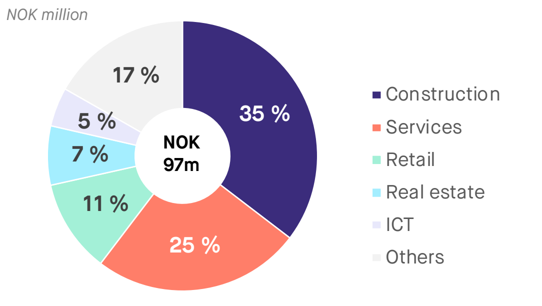
Spot factoring | Key invoice figures

Margin expansion from 2.96% to 3.16% (+7%)

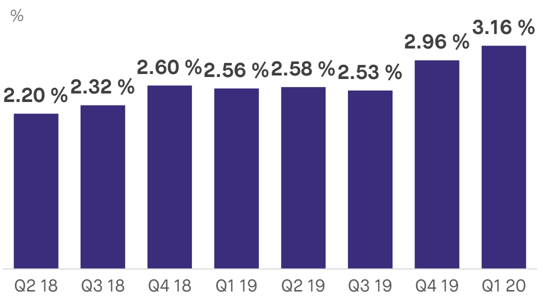
Invoiced amount[1]



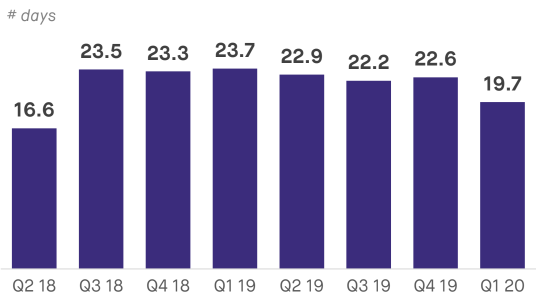
Purchased amt by end customer industry (Q4 19)



Margin[2] (volume weighted average)



Granted days[3] (volume weighted average)



Key comments

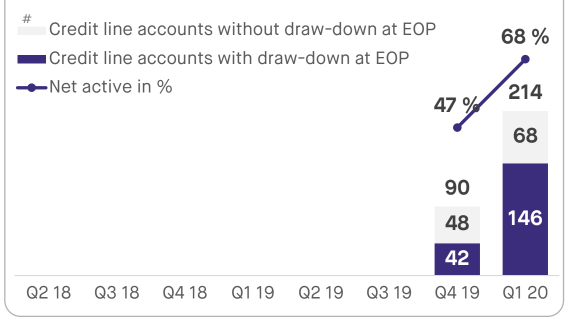
- Available invoiced amount[1] in Q1 amounted to NOK 970m despite strong growth in new spot factoring customers
  - Invoiced amount per average number of spot factoring accounts in the quarter dropped from NOK 1.33m in Q4 19 to NOK 1.06m in Q1 20 (-21%)
  - This is equivalent with the QoQ change last year (-19%)
- With a purchased amount of NOK 97 million, the conversion rate[4] (in NOK) was 10.0% (11.6% in Q4 19)
- VWA margin: 3.16%
- VWA granted days in Q4 20: 19.7
  - Our new pricing model was implemented ultimo January
  - The model currently maximises risk-adjusted return on capital, and prices invoices with longer duration relatively higher than the previous price model
  - The model continuously incorporates new information and we adjust the restrictions and parameters when needed

Note 1: Estimated invoiced amount available to Aprila. || Note 2: Gross interest and fee income in % of purchased amount, not accounting for accruals. || Note 3: Volume weighted average number of due days granted to end customers on invoices purchased in the period. || Note 4: Conversion rate = Purchased in % of invoiced.

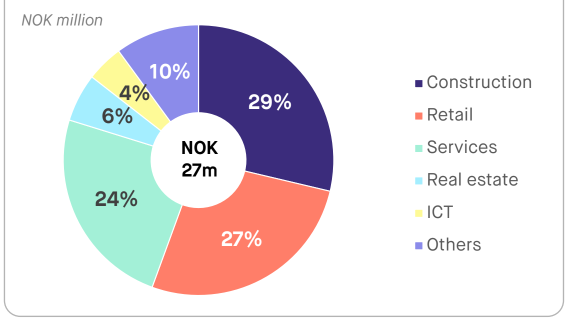
Credit line | Key figures

214 customer accounts opened since medio December 2019

Customer accounts



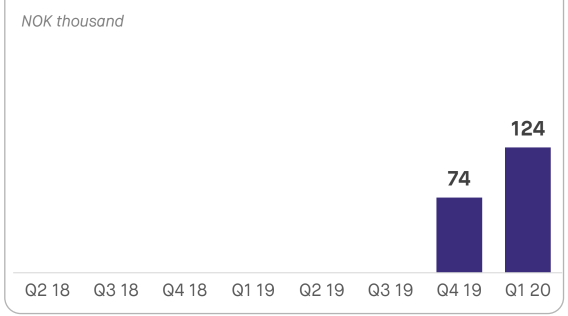
Outstanding amount by industry



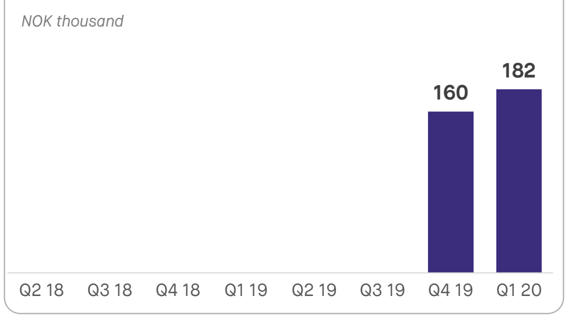
Key comments

- 214 credit line accounts at EOP
- NOK 124k outstanding per account at EOP
- On average NOK 182k drawn by customers with draw-down

Average outstanding amount per account



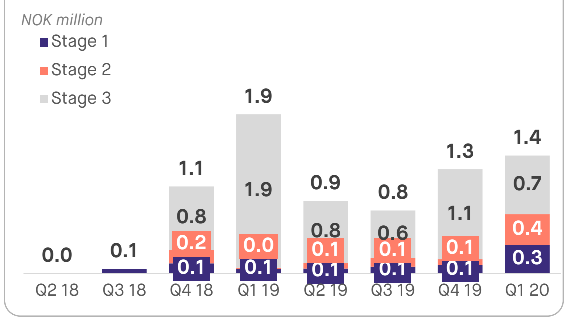
Average drawdown (per account with draw-down)



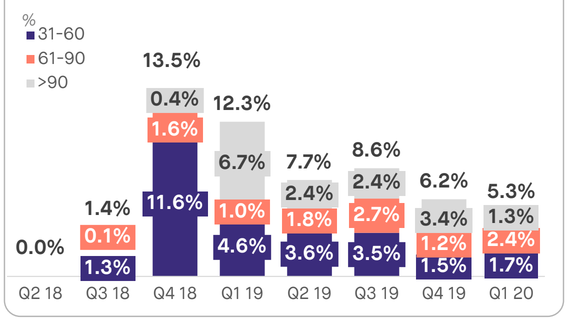
Loan losses and provisions

Loan impairments and losses of NOK 1.2m in Q1

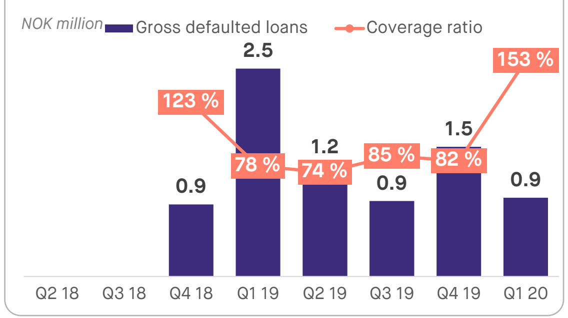
LLPs by stage[1]



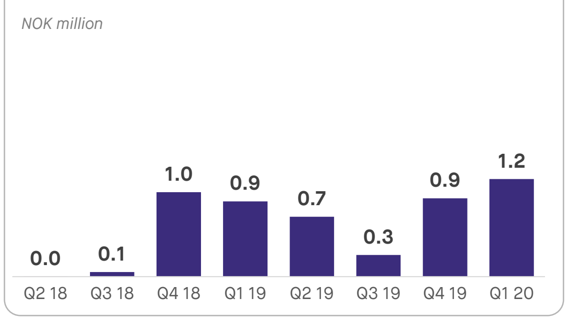
Loans by DPD (>30)



Gross defaulted loans and coverage ratio[2]



Loan losses[3]



Key comments

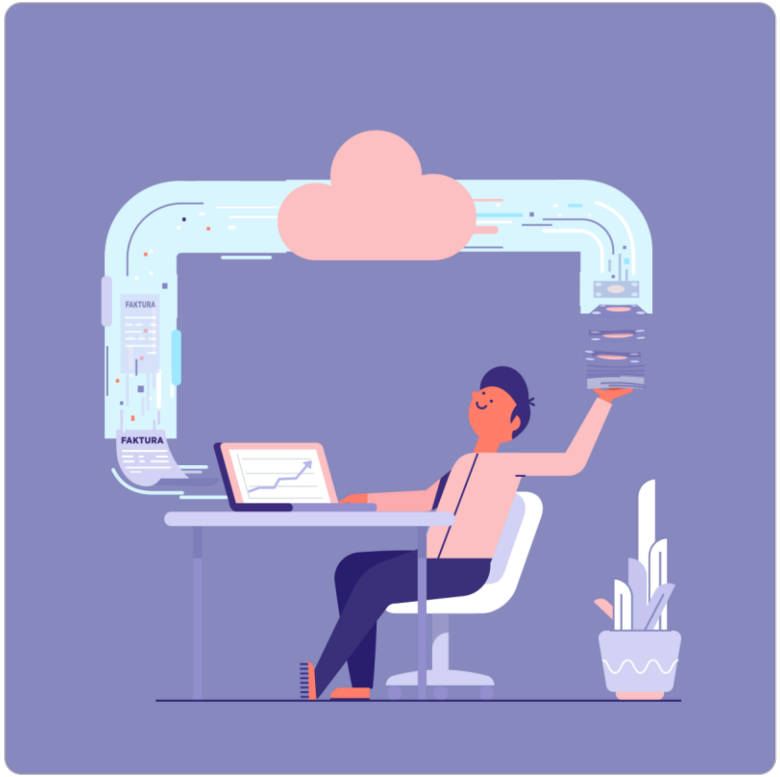
- LLPs of NOK 1.4m / 2.4% of gross loans at 31 Mar 2020 (3.0% in Q4 19)
- DPD >30: 5.3% of gross loans
  - Does not represent a de facto improvement, merely a result of the new product mix
  - DPD > 30 for spot factoring has increased from 7.3% in Q4 19 to 9.8% in Q1 20
- Gross defaulted loans of NOK 0.9m
  - Coverage ratio[2] of 153%
  - The steep increase is caused by the new product mix; credit line accounts for a relatively large portion of the LLPs, but no exposures were default at EOP Q1 20
- Total loan losses of NOK 1.2m in Q1

- *As of 31 Mar 2020, Aprila had purchased* ***20,388 invoices*** *LTD with a total nominal value of NOK 608m*
- *Total recognised losses LTD amounted to NOK 3.6m (0.59% of purchased amount) and relates to* ***49 claims*** *(0.24% of all purchased invoices)*

Note 1: Stage 1: All exposures <= 30 DPD, Stage 2: Exposures 31 – 90 DPD, and exposures <= 30 DPD with negative risk class migration since initial recognition, Stage 3: Exposures >90 DPD and other non-performing exposures || Note 2: Coverage ratio = LLP in % of gross defaulted loans. || Note 3: Sum of loan loss provisions and realised losses in the period.

Table of contents

Overview



Timeline

Expanding from one product in one distribution channel to three products and six channels[1]

2018 | 2019 | 2020 | 2021 →

Setup | Streamline | Scale up | Expand

Funding
- Equity
- Deposits (~2% p.a.)

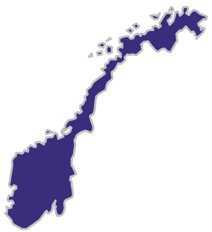
Products
- Spot factoring
- Credit line
- Pay With Aprila

Distribution
- ERP / Online accounting systems
- Accounting offices
- Own channels

Customer exposure through ERPs
- Q2-18: ~40,000 – tripletex
- Q4-19: + ~15,000 – xledger, uniEconomy
- Q1-20: + ~40,000 – Visma eAccounting
- Q2-20: + ~35,000

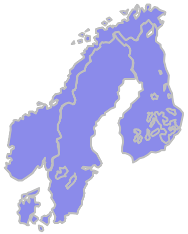
Geographic presence and scaling

European banks neglect their SME customers



Short-term
Norway

- Highly digital home market
- Online accounting systems have integrated Aprila Bank financing inside their systems, making this the first fully digital integration of bank financing within ERP



Mid-term
The Nordics

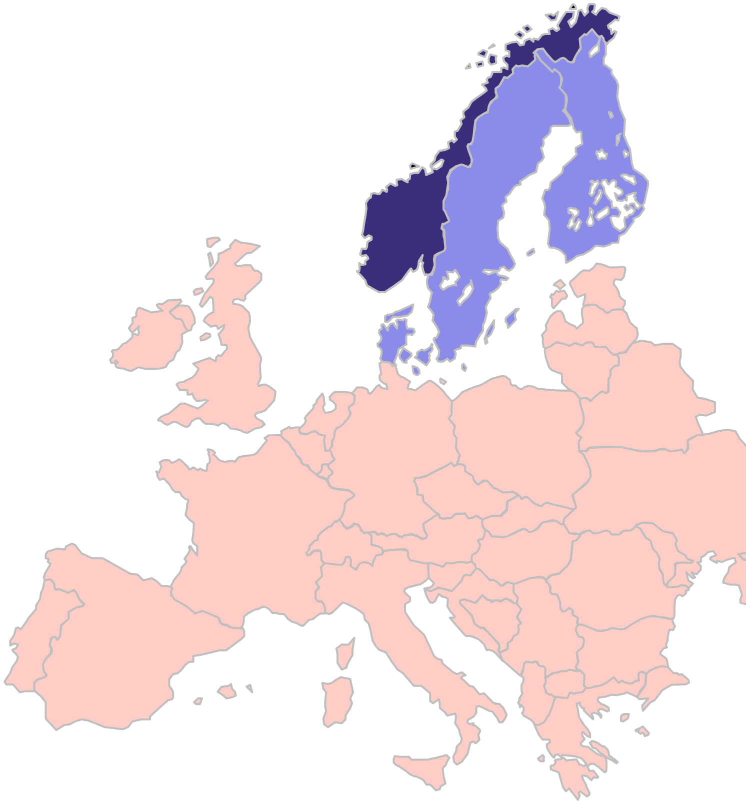
- The Nordic countries are world-leaders with respect to digitalisation and have well-functioning financial markets – a great starting point for future expansion
- Aprila expects to enter new markets through distribution agreements with ERP providers

Long-term
Continental Europe

- Entry to Continental Europe through existing and new partners with established local presence
- Aprila's banking license can be passported across the EU/EEA

International expansion plan

Q2 2018	2021	2023
Commenced operations in Norway	Expand to the first Nordic country outside of Norway	Expand to the first European country outside of the Nordics



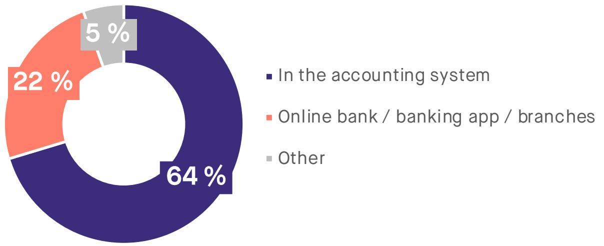
Aprila as a platform for financial services

Integrated financial services to SMEs in interfaces they already use

Problem

SMEs don't want to go to a bank, or use their apps[1]

«If you could access all your banking services in one interface, which interface would you prefer?»



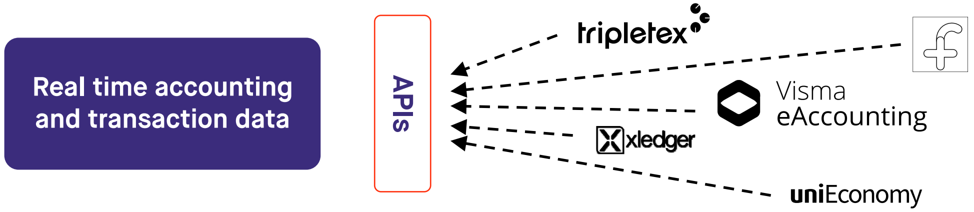
Solution

Simplifying life for businesses

- Access not only to banking services in one interface, but to <u>all</u> necessary and useful financial services in one interface – the online accounting system
- All transactions automatically booked, and data entry in one system only
- One customer interface and better overview of the business; eliminating friction and manual labour
- It is our intent to enable third parties to use the Aprila platform and APIs for this end

The Aprila tech platform enables a financial ecosystem seamlessly embedded in online accounting systems

- Banking and payment services from Aprila
- Pensions and insurance from third party
- Fund investments from third party
- Leasing from third party
- Currencies from third party



Note 1: Source: Itera - Smart Banking Survey of Norwegian SMEs, March 2020 (see 4.3 Market Report Spring 2020)

Financial outlook (1 / 2)

Annual run-rate of NOK 70m in gross income at year-end 2020 and break-even in Q2 21

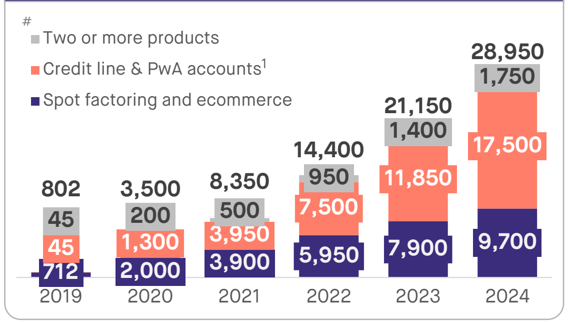
	YE 2019	Q1 20 EOP[5]	YE 2020E	Drivers
# of customers End of period	**802** 2% of customer exposure[1]	**1,207** ~1.3% of customer exposure[2]	**3,500** ~2% of customer exposure[3]	• New partners • New products • Relationship-based and in-house sales
Gross income per customer Annual run-rate[4] (NOK)	**17,748**	**15,404**	**~20,000**	• Adjustments in the pricing model for spot factoring • Increased conversion rate • Product mix
Annual gross income Run-rate (NOKm)	**14.2**	**18.6**	**~70**	**Break-even expected in Q2 21**

Note 1: ~40,000 Tripletex customers. || Note 2: ~95,000 Tripletex and Visma eAccounting customers. || Note 3: Of which ~2,500 customers via ERP (130 000 customers in Tripletex, Xledger, Uni Economy, Visma eAccounting and Fiken) and ~1000 customers in other channels. || Note 4: Per average number of customers. YE 2019 = run-rate Q4 19. 31 Mar 20 = run-rate Q1 20. YE 2020 = estimated run-rate Q4 20. || Note 5: Gross income per customer has declined in Q1 20 due to tightened credit rules.

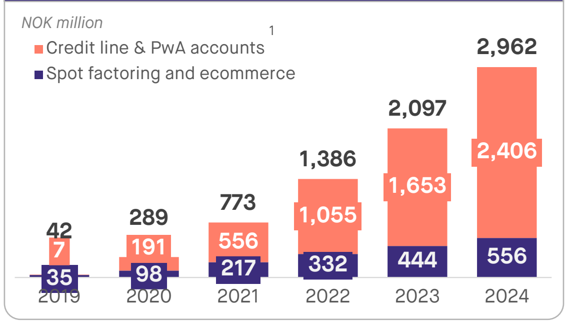
Financial outlook (2 / 2)

Extremely scalable business model

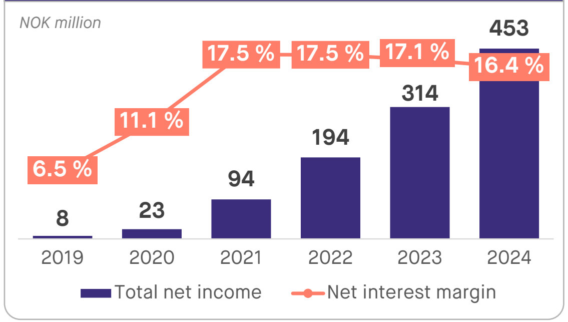
Customers



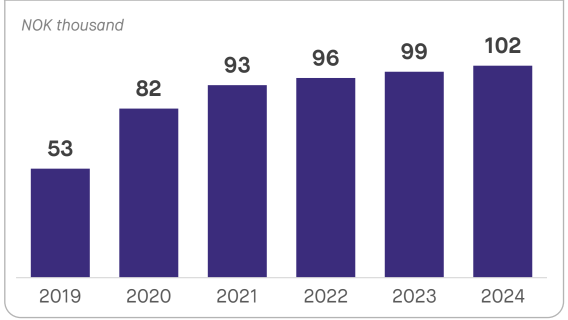
Gross loans by product category



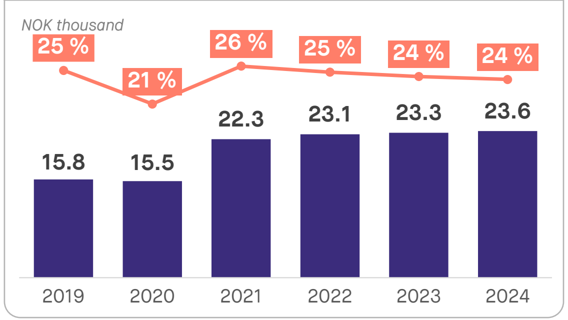
Total income and net interest margin[2]



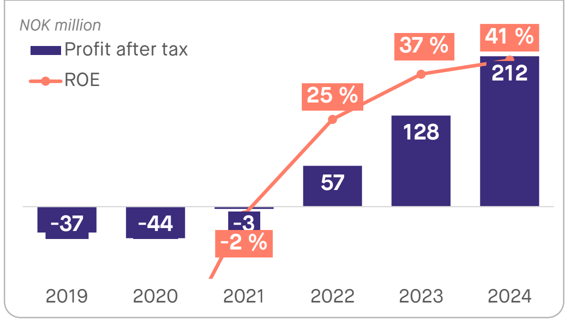
Gross loans per customer



Gross income per customer and yield[3]



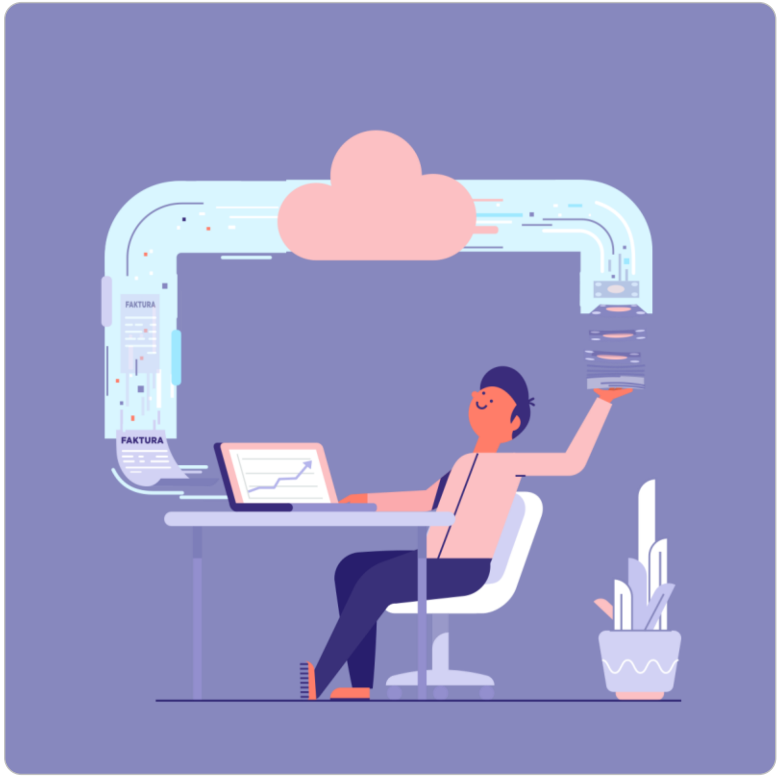
Profit after tax and ROE[4]



Note 1: PwA = Pay with Aprila. || Note 2: Net interest margin = Net interest income divided by average total assets in the period. || Note 3: Yield = Gross income from lending divided by average net loans. || Note 4: ROE = Profit after tax divided by average equity in the period.

Table of contents

Overview



Management team

Solid background from finance, banking and technology

Halvor S. Lande | 46 | Chief Executive Officer

- Former EVP Digitalisation and Business Development in DNB (2016-19), Associate Principal (2013-16) and Engagement Manager (2008-13) at McKinsey. Co-founder and CEO of RiskLab (1999-2008)
- MSc in Mathematics from the University of Oslo, Computer Engineering from NTNU (NTH)

Per Christian Goller | 53 | Chief Growth Officer

- Former Head of Corporate Finance at Fondsfinans, co-founder of Berg Goller & Co (sold to Icebank in 2008), Head of Bus. Dev. at Opera Software and Marketing Manager at TINE Numerous board positions
- BSc from Uni. of Manchester and MBA from the Norwegian School of Economics (NHH)

Israr Khan | 33 | Chief Product & Technology Officer

- Former Digital Director in marked.no, Senior Vice President Digitalisation in DNB and Head of Experience Design and Manager at Capgemini
- Computer Engineering and Informatics from Oslo and Akershus University College of Applied Sciences, Organisational theory and leadership from Høyskolen i Hedmark

Lene Gridseth | 30 | Chief Operating Officer

- Previous experience as Investment Banking Associate at Beringer Finance, primarily focusing on M&A within Technology & IT services
- MSc In Financial Economics from the Norwegian School of Economics (NHH)

Christian Lund | 51 | Chief Credit Officer

- Former Global Head of B2B & Head of Risk Management in Ikano Bank, Managing Director (Interim) in Lindorff Decision & Bisnode Credit, Management Consultant in Capgemini, Country Manager in Xerox Credit Norway and Senior Finance Sales in Nordea Finans
- MSc in Economics and Business Administration from BI Norwegian Business School and Universität Mannheim (Germany).

Kjetil S. Barli | 37 | Chief Financial Officer

- Former Head of Financial Institutions Group at Fondsfinans / Beringer Finance (2013-17), Associate Corporate Finance at Fondsfinans (2010-12) and Management Consultant at PA Consulting Group (2009-10)
- MSc in Industrial Economics from the Norwegian University of Science and Technology (NTNU)

Louise Irtelius | 40 | Chief Risk Officer (interim)

- 10 years experience as management consultant and advisor within risk and compliance for the financial services industry (Deloitte 2010-11, EY 2011-15, Accenture 2015-16, Transcendent Group 2016 -)
- MSc in Finance and Strategic Management from Copenhagen Business School

Heiki Strengelsrud | 47 | Chief Customer Officer

- 10 years experience as Internal Strategy and Innovation Consultant in DNB as well as Business Development Manager in Gjensidige Forsikring and Consultant in IBM
- MSc from BI Norwegian Business School and MBA (Strategy and Entrepreneurship) from IE Business School (Madrid)

Øystein Dannevig | 47 | Chief Analytics Officer

- 11 years experience as Head of Data Analysis at Avida Finans (2016-18), PRA Group Europe (2014-16) and Aktiv Kapital (2007-14)
- Former Head of Analysis at M&A boutiques Bridgehead (2001-07) and Graff-Wang, Goller & Co (1995 – 2001)
- MSc from BI Norwegian Business School

Board of Directors

Competent and experienced board

Arild Spandow | 50 | Chairman

- Founder and CEO of Amesto Group AS, a company delivering ERP, CRM and HRM software, payroll and accounting, translation and staffing services
- Currently serving as Chairman of the Board at Amesto Solutions Invest
- BSc (Hons) in Business Administration from University of Bath

Ingrid Tjønneland | 60 | Board Member

- 27 years of banking experience of which 25 years with DNB, where she has held executive positions within AML, Risk Management, Compliance, IT & Operations, Business Controlling, Private Banking, Credit and Custody services, Strategy and Concept Development and Investment Advisory
- Has held several board positions within DNB throughout her professional career
- Law Degree from the University of Oslo

Remi C. Dramstad | 34 | Board Member

- Partner at Advokatfirmaet Selmer DA
- In charge of Selmer's start-up and fintech initiative
- Master of Laws from University of Oslo and LL.M. Corporations from New York University

Bente Loe | 51 | Board Member

- Partner in Alliance Venture.
- Chair of the board of the Norwegian Venture & Private Equity Association and has previously been a board member in Data response, NRC Group, Software Innovation, and Bank Norwegian
- BSBA and MBA in International Finance form University of Denver

Trond Kristian Andreassen | 56 | Board Member

- Former CEO of Aktiv Kapital in Norway for six years, built up and led Gothia Financial Group (now Arvato) for nine years, and was CEO of Avida Finans AB for one year where he also sat on the board for two years
- Business Degree from BI Norwegian Business School

Astrid Lehre | 57 | Board Member

- Has previously been Head of Audit in DNB for five years, Auditor director of EDB Business Partner for six years and Head of Group Internal Audit in EVRY for seven years
- Business major from BI Norwegian Business School and an Authorized Public Accountant from Norwegian School of Economics (NHH)

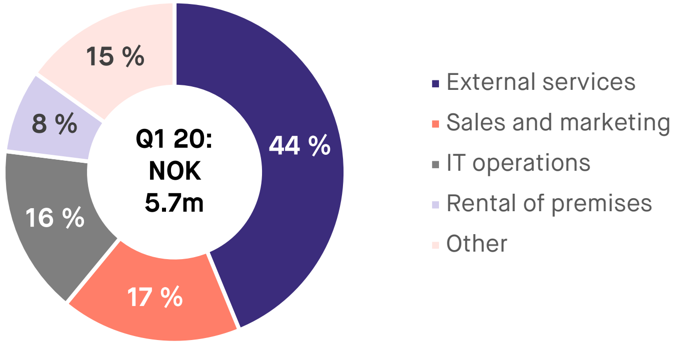
Income statement & general administrative expenses

Income Statement

Amounts in NOK thousand	*Q1 2020*	*Q1 2019*	*2019*
Interest income	3,858	2,129	10,465
Interest expense	356	18	562
Net interest income	**3,501**	**2,111**	**9,902**
Income commissions and fees	135	81	378
Expenses commissions and fees	1,082	636	3,019
Net commissions and fees	**-947**	**-555**	**-2,642**
Net gains / losses (-) on certificates, bonds and currency	-1	26	323
Other income	0	0	0
Total income	**2,553**	**1,582**	**7,583**
Salary and other personnel expenses	7,313	6,292	24,322
General administrative expenses	5,749	4,066	14,828
Total salary and administrative expenses	**13,062**	**10,357**	**39,150**
Ordinary depreciation	1,105	469	2,227
Total operating expenses excl. losses on loans	**14,166**	**10,827**	**41,377**
Losses on loans	1,152	889	2,777
Pre-tax operating profit	**-12,765**	**-10,134**	**-36,570**
Tax	0	0	0
Profit after tax	**-12,765**	**-10,134**	**-36,570**
Earnings per share (NOK)	-0.35	-0.28	-1.01
Diluted earnings per share (NOK)	-0.29	-0.24	-0.83

General administrative expenses

Amounts in NOK thousand	*Q1 2020*	*Q1 2019*	*2019*
External services	2,518	2,073	6,488
IT operations	920	1,026	3,959
Rental of premises	454	245	1,277
Sales and marketing	987	88	702
Credit information	117	67	411
External audit and related services	219	188	188
Credit insurance	52	39	288
Other operating expenses	483	339	1,515
Total general administrative expenses	**5,749**	**4,066**	**14,828**



Balance sheet & regulatory capital

Balance Sheet

Amounts in NOK thousand	31.03.2020	31.12.2019
Loans and deposits with credit institutions	38,029	60,593
Net loans to customers	56,785	40,885
Certificates and bonds	45,531	45,470
Other intangible assets	17,444	12,700
Deferred tax assets	0	0
Fixed assets	5,668	5,868
Other receivables	6,990	4,522
Total assets	**170,447**	**170,038**
Deposits from and debt to customers	75,564	62,194
Other debt	15,358	15,642
Total liabilities	**90,922**	**77,836**
Share capital	36,257	36,220
Share premium	127,036	127,036
Unregistered Share capital	0	37
Other paid-in equity	1,769	1,680
Retained earnings	-85,536	-72,771
Total equity	**79,525**	**92,202**
Total equity and liabilities	**170,447**	**170,038**

Regulatory capital

Amounts in NOK thousand	31.03.2020	31.12.2019	31.03.2019
Share capital	36,257	36,220	36,220
Share premium	127,036	127,036	127,036
Other equity	-83,767	-71,054	-45,582
Total equity	**79,525**	**92,202**	**117,673**
Other intangible assets	-17,444	-12,700	-5,491
AVA adjustment	-46	-45	0
Deferred tax assets	0	0	0
Common equity tier 1 (CET 1)	**62,036**	**79,456**	**112,183**
Tier 1 capital	**62,036**	**79,456**	**112,183**
Total capital	**62,036**	**79,456**	**112,183**
Risk-weighted assets			
Loans and deposits with credit institutions	7,606	12,119	11,161
Loans to customers	43,202	32,220	28,835
Certificates and bonds	1,499	1,502	0
Other assets	12,658	10,390	5,172
Credit risk	**64,965**	**56,231**	**45,168**
Operational risk	9,669	9,669	16,067
Risk-weighted assets	**74,634**	**65,900**	**61,235**
Common equity tier 1 ratio (%)	83.1%	120.6%	183.2%
Tier 1 ratio (%)	83.1%	120.6%	183.2%
Total capital ratio (%)	83.1%	120.6%	183.2%
Leverage ratio (%)	39.8%	50.0%	92.0%
LCR	1581 %	2162 %	223 %

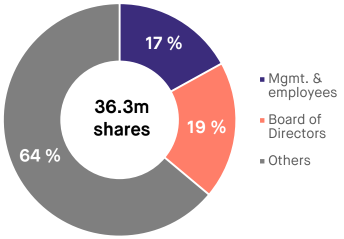
Ownership & warrant structure[1]

Aligned interests among key stakeholders

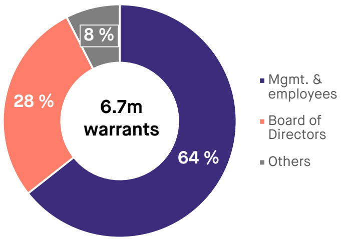
Selected shareholders

Investor	Selected current / previous holdings
FJ LABS	Alibaba.com, Klarna, Ant Financial, stripe, Uber, airbnb, FUNDBOX, AVANZA, raisin.bank
ALLIANCE VENTURE	Kolonial.no, ENCAP SECURITY, XETHRU by NOVELDA, ARUNDO, XENETA, boost.ai

Share distribution



Warrant distribution



Top 30 shareholders

#	Investor	Name	Role	Ownership # shares	Ownership %	Warrants
1	AMESTO GROUP AS	Spandow Family	Chairman	3,618,182	10.0 %	1,875,000
2	ALLIANCE VENTURE SPRING AS	Bente Loe	Board member	2,824,406	7.8 %	
3	PRIMERA AS	Per Christian Goller	Chief Growth Officer	1,600,000	4.4 %	1,750,000
4	MP PENSJON PK			1,596,996	4.4 %	
5	STRØMSTANGEN AS			1,595,400	4.4 %	
6	NORUS AS			1,173,549	3.2 %	
7	FJ LABS			1,099,400	3.0 %	
8	REDIVIVUS AS			950,000	2.6 %	
9	SIX SIS AG			877,470	2.4 %	
10	SIRKELBUE AS	Karl Erik Asbjørnsen	Technologist	800,000	2.2 %	500,000
11	COSIMO AS			800,000	2.2 %	
12	ØSD FINANS AS	Øystein Dannevig	Head of Analytics	800,000	2.2 %	
13	UNIVERSAL PRESENTKORT AS			797,699	2.2 %	
14	SES AS			797,699	2.2 %	
15	AREPO AS			738,102	2.0 %	
16	DISRUPTOR AS	Israr Khan	Chief Product & Tech Officer	700,000	1.9 %	600,000
17	SVINDAL AKSEL LUND			650,000	1.8 %	
18	INCHOATE AS	Heiki Strengelsrud	Growth Manager	610,000	1.7 %	500,000
19	ENIMAE AS			600,000	1.7 %	
20	SPORTSMAGASINET AS			584,997	1.6 %	
21	ELIGERE AS	Lene Gridseth	Chief Operating Officer	573,200	1.6 %	375,000
22	SANDSOLO HOLDING AS			550,000	1.5 %	
23	BLUE MOUNTAIN CAPITAL AS	Kjetil S. Barli	Chief Financial Officer	500,000	1.4 %	375,000
24	SIDEKICK INVEST AS			500,000	1.4 %	
25	OSMANI VENTURE CAPITAL AS			478,221	1.3 %	
26	STRIGEN AS			454,367	1.3 %	
27	ACIER AS			436,597	1.2 %	
28	KLØVNINGEN AS			400,000	1.1 %	
29	ASTEROIDEBAKKEN AS			319,079	0.9 %	
30	KØLLE INVEST AS			279,309	0.8 %	
	Others			8,552,467	23.6 %	687,500
	Total			**36,257,140**	**100.0 %**	**6,662,500**

Note 1: As registered in VPS 30 April 2020.

aprila


FAKTURA
REGNING
REGNING
REGNING
REGNING
REGNING
Bankkonto