



Aprila Bank ASA | Q4 2018 | 26 February 2019

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Forward-looking statements



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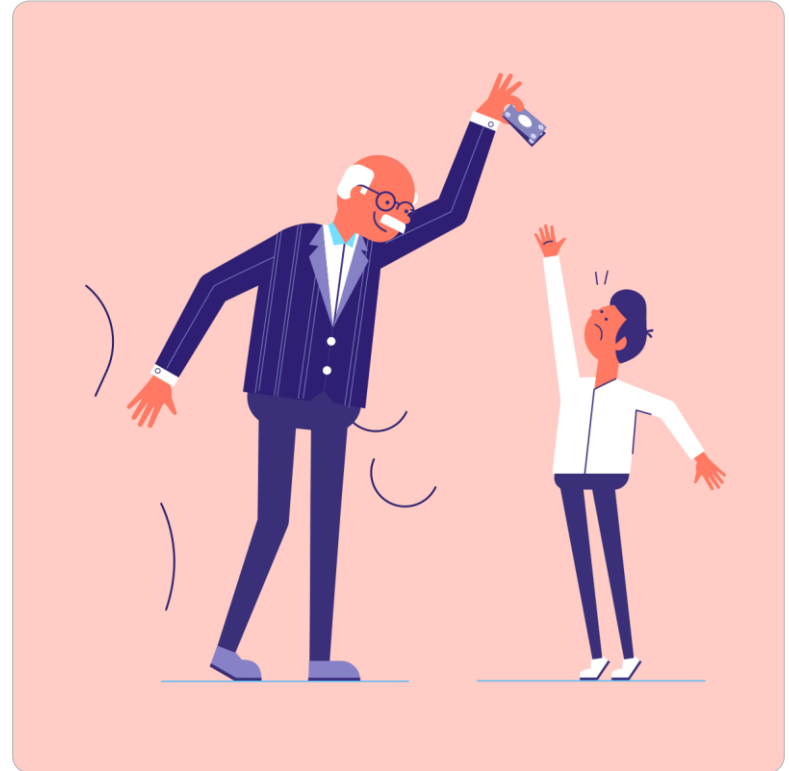


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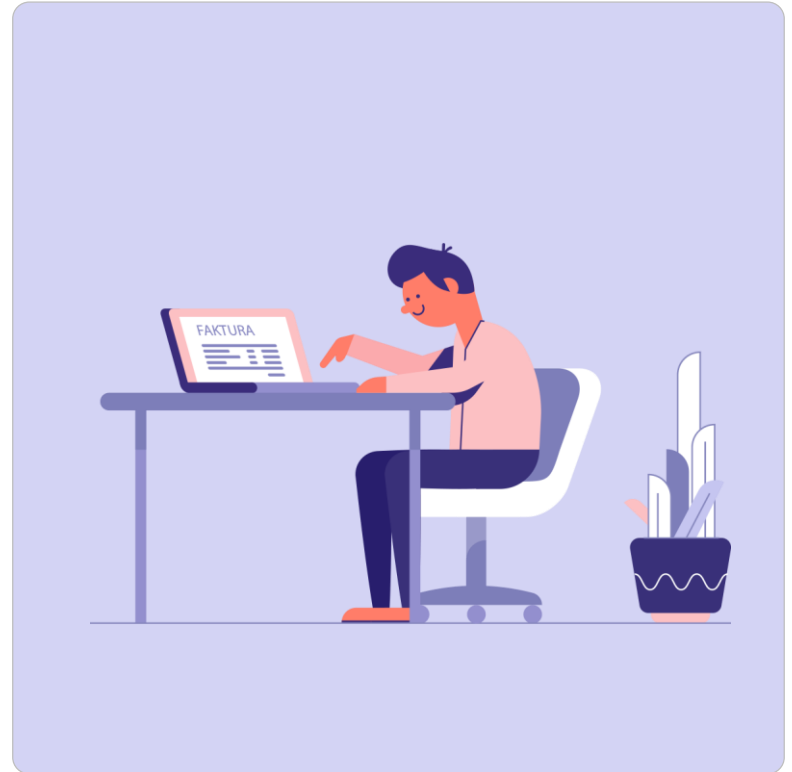
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Highlights 2018

A new standard for SMB lending is set – next step is scale



Q4-18 & 2018

<i>NOKm</i>	Q4-18	2018
Purchased amount	100	138
Total income	1.9	2.8
Pre-tax operating profit	-7.2	-26.3
Yield on avg. net loans ¹	34%	n.a.

Q2 – Q4-18

First three operating quarters

<i>NOKm</i>	BP	Actual
Purchased amount	161	138
Total income	3.2	2.7
Pre-tax operating profit	-20.2	-20.8
Equity ²	125.5	127.5

Introduced a new standard for SMB lending

- Established a new distribution model for SMB financing – creating a new revenue stream for ERP providers
- Introduced a new product to the market – with great feedback from the customers
- Set a new standard for onboarding of corporate banking customers - making working capital available for a new market

Delivered in line with the plan

- Slightly behind on volume
- In line on pre-tax profit
- Ahead on equity

Prepared for scale

- Internal processes streamlined
- Credit policies and rules tuned
- v.2 of technology platform and front-end system to be released during H1

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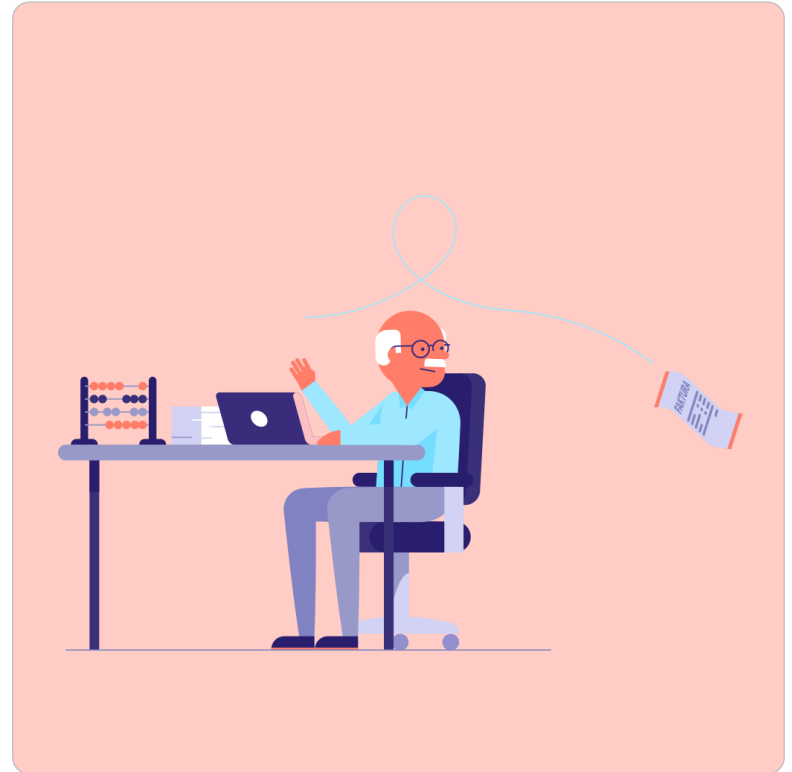
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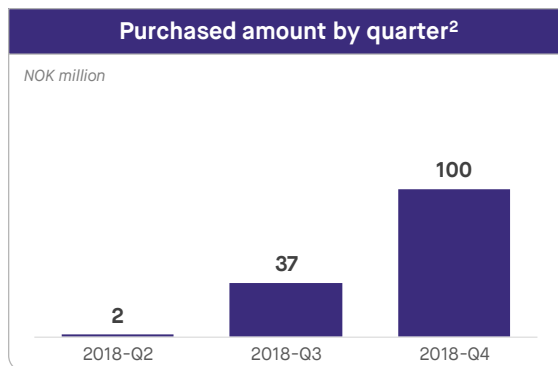
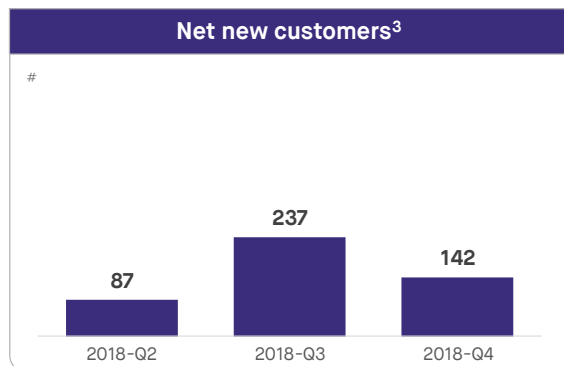
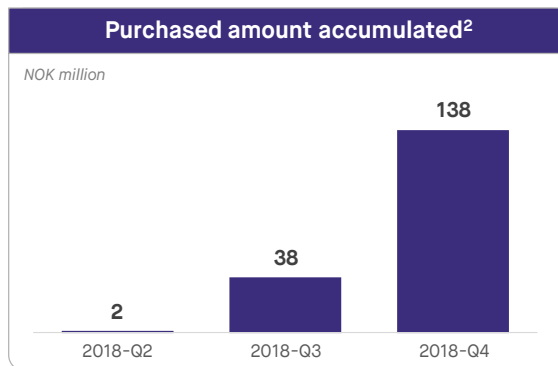
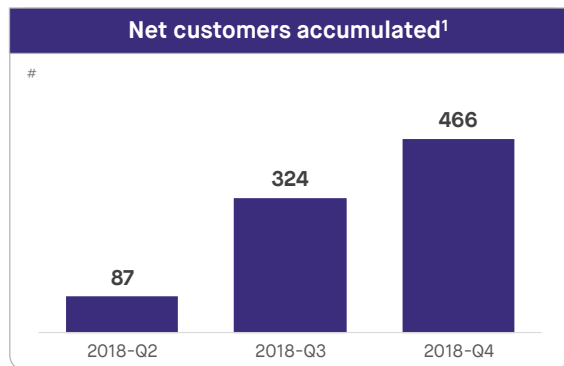
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Key figures

466 customers and NOK 138m purchased at year-end 2018



Key comments

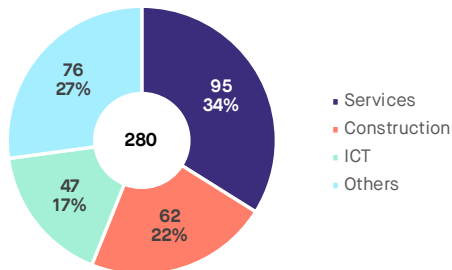
- 466 customers at year-end
 - Inflow of new customers was particularly high in Q3, primarily due to the implementation in Tripletex' project module 11 September
 - New policy related to factoring pledge slowed down new onboardings in Q4
- NOK 138m purchased in 2018
 - 4,414 invoices purchased
 - 2,157 different end customers
 - Average invoice amount of NOK 31k
 - Purchased amount nearly tripled from Q3 to Q4

Active customers

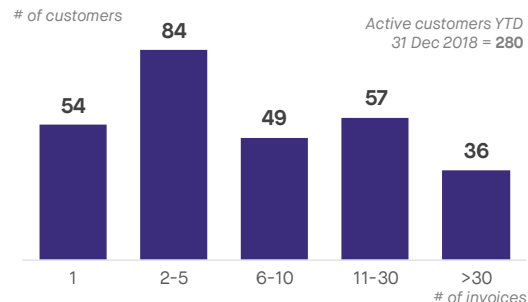
Increasing share of active and recurring customers



of active customers by industry (YTD 31 Dec 2018)



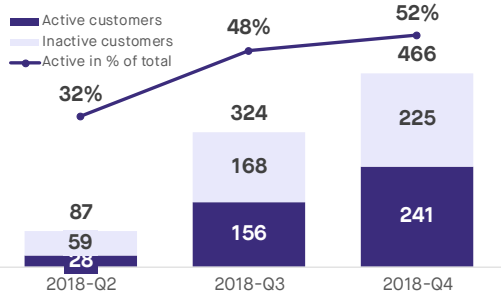
Active customers¹ by sold invoices (YTD 31 Dec 2018)



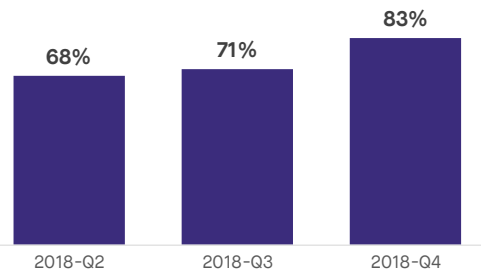
Key comments

- 280 of 466 customers (60%) had sold invoices at year-end 2018 (defined as active customers)
- Services, construction and ICT constitute 73% of our 280 active customers and 77% of purchased volume
- Annual customer revenue up to NOK 40m
- Active customers in % of total net customers is gradually increasing QoQ; from 48% in Q3 to 52% in Q4
- Recurring in % of active customers also shows a positive development; 83% of the customers who sold invoices in Q4 sold two or more

Active customers¹ vs. total net customers



Recurring customers² in % of active



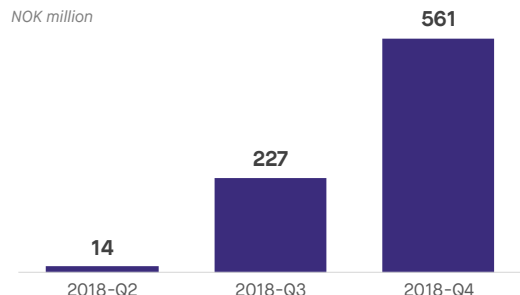
Key invoice figures

Solid margin expansion in Q4



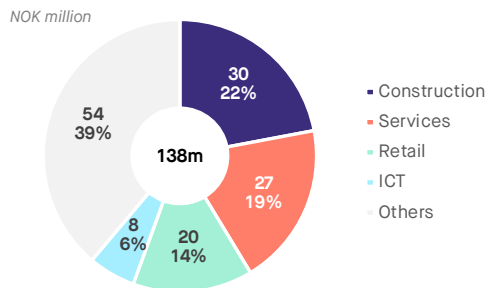
Invoiced amount¹

NOK million



Purchased amt by end customer sector (2018)

NOK million

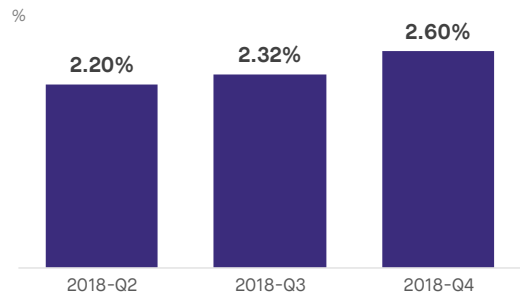


Key comments

- Accumulated available invoiced volume¹ in 2018 amounted to **NOK ~800m**
- With an accumulated purchased amount of NOK 138 million, the conversion rate⁴ was **17%** (in NOK)
- VWA margin in 2018: **2.52%**
 - Strong margin increase in Q4 as a result of two price adjustments
 - ▶ General price level increased ultimo Q3
 - ▶ Dynamic pricing of late payers introduced primo Q4
- VWA granted days in 2018 (and Q4-18): **23.6**

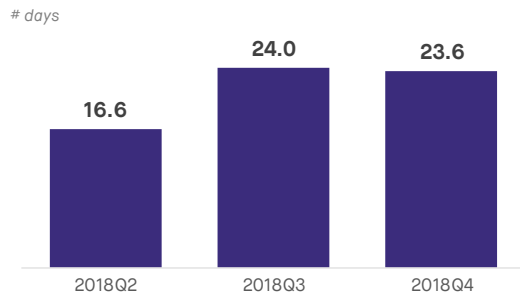
Margin² (volume weighted average)

%



Granted days³ (volume weighted average)

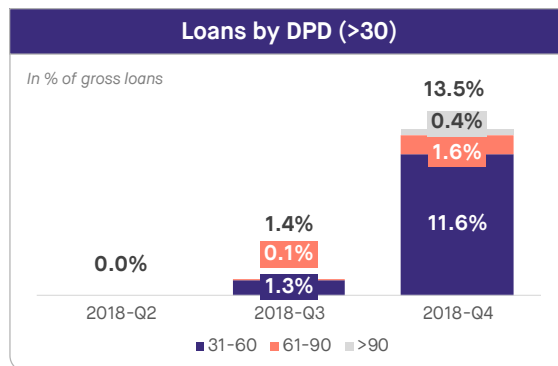
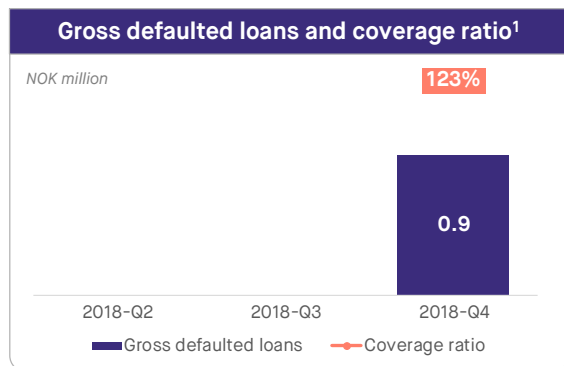
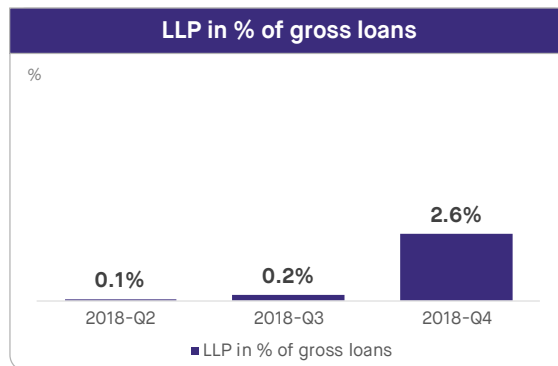
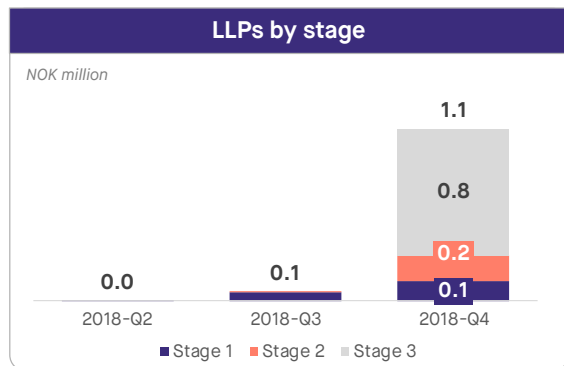
days



Loan loss provisions (LLPs) and days past due (DPD)



LLPs of NOK 1.1m - conservative coverage ratio



Key comments

- LLPs of **NOK 1.1m / 2.6%** of gross loans per 31-Dec
 - Significant increase from Q3 to Q4
 - NOK 0.7m of the NOK 1.1m in LLP relates to one event
 - The bank has implemented several measures to reduce the probability of similar loss-generating events in the future
 - The remaining increase in LLPs is expected, due to the significant increase in volume from September
- Gross defaulted loans of **0.9m**
 - Solid coverage ratio; LLPs to gross defaulted loans of 123%
- DPD >30: **13.5%** of gross loans

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.

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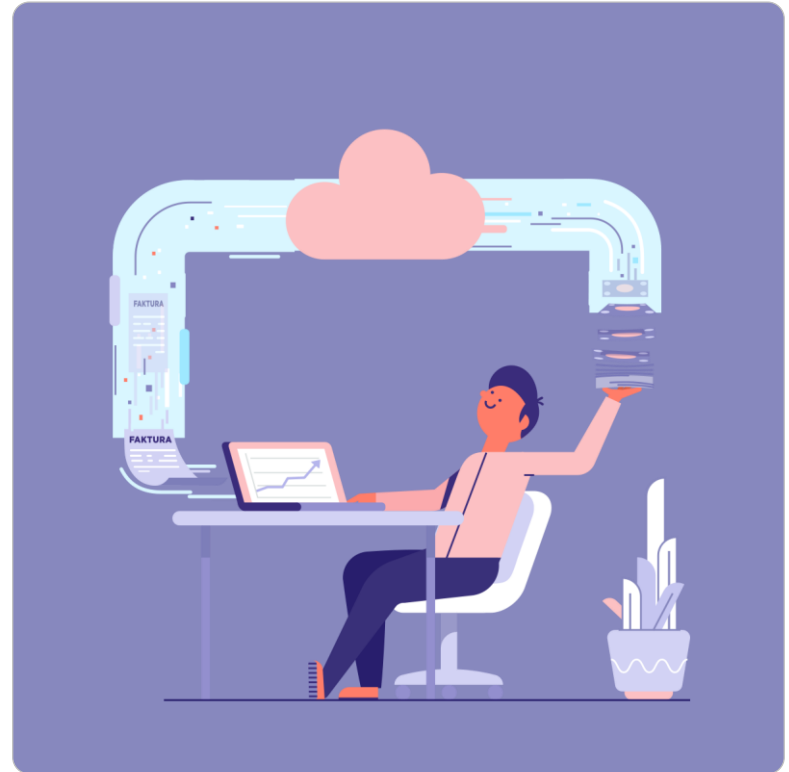
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Key priorities

Capitalise on our current market position and continue to build competitive advantage



01

Improve customer acquisition

- Several initiatives are being executed, i.a.;
- **Activate the customers:** 1 dedicated full-time customer-activation resource at Tripletex from January
- **Activate the accountants:** enhance engagement through information and roadshows
- **Enhance visibility:** improve in-app marketing in partners' channels
- **Remove friction:** finetuning of customer selection criteria, onboarding video, newsletters, customer stories ++
- **Improve customer dialogue:** enhanced systems and processes for customer interaction

02

Strengthen distribution

- Uni Micro: implementation project well underway; targeting pilot launch in April
- Xledger: Aprila Invoices Sales to be included in the next release
- In dialogue with several other potential distribution partners, in Norway and in other countries

03

Continue to build competitive advantage

- Capitalising on accumulated insight & operational learning in H1 by streamlining/automating business processes; harnessing efficiency gains and creating a truly scalable model;
- v.2 of the platform; improves internal processes and enhances the development pace going forward
- New version of the data warehouse; improves data structure and enables advanced utilisation of the data
- New, advanced pricing model to be introduced
- New products and distribution channels under development

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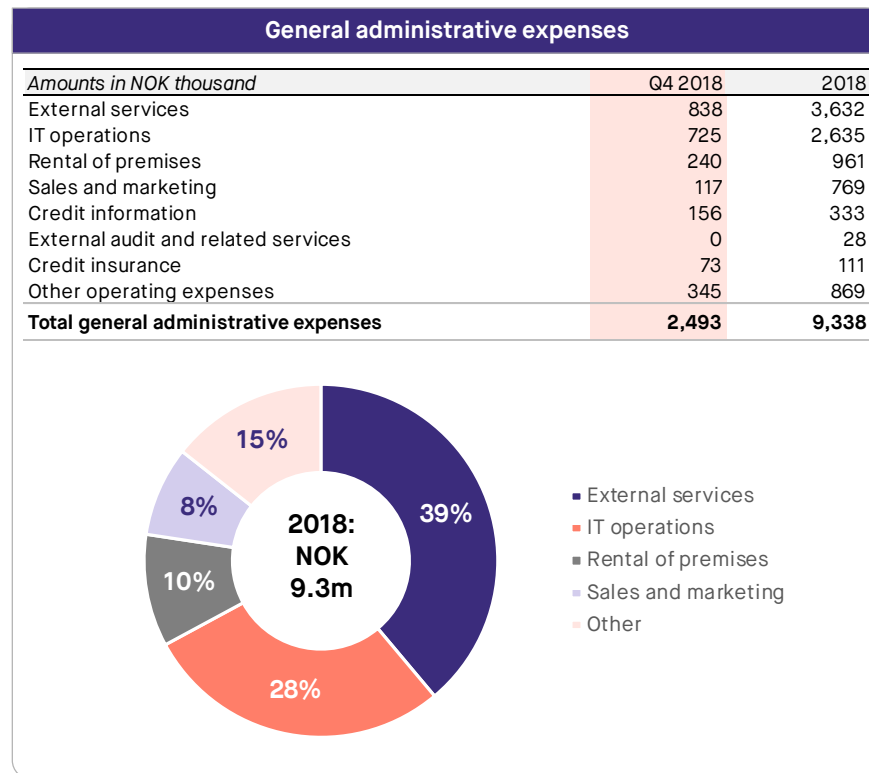
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Income statement & general administrative expenses



Income Statement		
<i>Amounts in NOK thousand</i>	Q4 2018	2018
Interest income	2,673	3,668
Interest expense	52	158
Net interest income	2,621	3,510
Income commissions and fees	104	133
Expenses commissions and fees	833	982
Net commissions and fees	-730	-848
Net gains / losses (-) on certificates, bonds and currency	13	112
Other income	0	6
Total income	1,905	2,779
Salary and other personnel expenses	5,237	17,604
General administrative expenses	2,493	9,338
Total salary and administrative expenses	7,730	26,942
Ordinary depreciation	337	1,085
Total operating expenses excl. losses on loans	8,067	28,027
Losses on loans	997	1,052
Pre-tax operating profit	-7,159	-26,299
Tax expenses	0	0
Profit after tax	-7,159	-26,299
Earnings per share (NOK)	-0.20	-0.73
Diluted earnings per share (NOK)	-0.17	-0.61



Balance sheet & regulatory capital



Balance Sheet

<i>Amounts in NOK thousand</i>	31/12/2018	30/09/2018	30/06/2018
Loans and deposits with credit institutions	54,639	75,978	103,858
Net loans to customers	39,619	23,368	986
Certificates and bonds	30,112	30,099	30,003
Other intangible assets	5,838	6,521	6,487
Deferred tax assets	0	0	0
Fixed assets	1,064	1,086	1,141
Other receivables	2,226	1,537	1,789
Total assets	133,500	138,590	144,264
Deposits from and debt to customers	0	0	0
Other debt	5,999	4,174	2,710
Total liabilities	5,999	4,174	2,710
Share capital	36,220	36,183	36,183
Share premium	127,036	127,036	127,036
Other paid-in equity	446	239	43
Retained earnings	-36,201	-29,042	-21,706
Total equity	127,501	134,416	141,554
Total equity and liabilities	133,500	138,590	144,264

Regulatory capital

<i>Amounts in NOK thousand</i>	31/12/2018	30/09/2018	30/06/2018
Share capital	36,220	36,183	36,183
Share premium	127,036	127,036	127,036
Other equity	-35,755	-28,803	-21,664
Total equity	127,501	134,416	141,554
Other intangible assets	-5,838	-6,521	-6,487
Deferred tax assets	0	0	0
Common equity tier 1 (CET 1)	121,663	127,894	135,068
Tier 1 capital	121,663	127,894	135,068
Total capital	121,663	127,894	135,068
Risk-weighted assets			
Loans and deposits with credit institutions	10,928	15,196	20,772
Loans to customers	37,500	23,368	986
Certificates and bonds	0	0	0
Other assets	3,291	2,623	2,931
Credit risk	51,719	41,187	24,688
Operational risk	16,067	16,067	16,067
Risk-weighted assets	67,785	57,254	40,755
Capital ratios			
Common equity tier 1 ratio (%)	179.5 %	223.4 %	331.4 %
Tier 1 ratio (%)	179.5 %	223.4 %	331.4 %
Total capital ratio (%)	179.5 %	223.4 %	331.4 %
LCR	217%	198%	1509%

Ownership & warrant structure¹

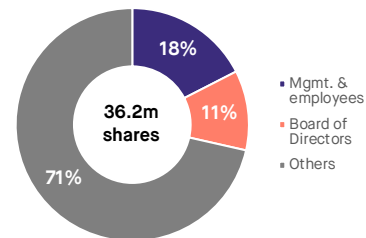
Aligned interests among key stakeholders



Top 30 shareholders

#	Investor	Name	Role	Ownership		Warrants
				# shares	%	
1	AMESTO GROUP AS	Spandow Family	Chairman	3,618,182	10.0 %	1,875,000
2	ALLIANCE VENTURE SPRING AS			2,824,406	7.8 %	
3	PRIMERA AS	Per Christian Goller	Chief Executive Office	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			1,010,000	2.8 %	
7	REDIVIVUS AS			950,000	2.6 %	
8	SIX SIS AG			877,470	2.4 %	
9	TOLUMA INVEST AS			877,470	2.4 %	
10	COSIMO AS			801,000	2.2 %	
11	SIRKELBUE AS	Karl Erik Asbjørnsen	Technologist	800,000	2.2 %	500,000
12	ØSD FINANS AS	Øystein Dannevig	Chief Analytics Officer	800,000	2.2 %	
13	UNIVERSAL PRESENTKORT AS			797,699	2.2 %	
14	SES AS			797,699	2.2 %	
15	DISRUPTOR AS	Israr Khan	Chief Digital Officer	700,000	1.9 %	600,000
16	SANDSOLO HOLDING AS			688,565	1.9 %	
17	AREPO AS			658,102	1.8 %	
18	SVINDAL AKSEL LUND			650,000	1.8 %	
19	SPORTSMAGASINET AS			634,709	1.8 %	
20	INCHOATE AS	Heiki Strengelsrud	Chief Customer Office	610,000	1.7 %	500,000
21	ENIMAE AS			600,000	1.7 %	
22	ELIGERE AS	Lene Gridseth	Chief Operating Office	573,200	1.6 %	375,000
23	NORDIC PRIVATE EQUITY AS			557,000	1.5 %	
24	BLUE MOUNTAIN CAPITAL AS	Kjetil S. Barli	Chief Financial Officer	500,000	1.4 %	375,000
25	SIDEKICK INVEST AS	Katrine Olsen	Chief Risk Officer	500,000	1.4 %	375,000
26	OSMANI VENTURE CAPITAL AS			478,221	1.3 %	
27	MERRILL LYNCH			375,000	1.0 %	
28	STRIGEN AS			354,367	1.0 %	
29	ASTEROIDEBAKKEN AS			319,079	0.9 %	
30	KLØVNINGEN AS			300,000	0.8 %	
	Others			8,775,519	24.2 %	312,500
	Total			36,220,084	100.0 %	6,662,500

Share distribution



Warrant distribution

