



Q2

Interim report  
April – June 2019

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## KEY FIGURES

PURCHASED AMOUNT<sup>1)</sup>

89

MNOK

NET NEW CUSTOMERS

57

AVERAGE MARGIN<sup>2)</sup>

2.58%

AVERAGE GRANTED DAYS<sup>3)</sup>

22.9

TOTAL INCOME

1.8

MNOK

PROFIT AFTER TAX

-6.4

MNOK

<sup>1)</sup> Nominal value of invoices purchased in the period.

<sup>2)</sup> Gross interest and fee income in % of purchased amount, not accounting for accruals.

<sup>3)</sup> Volume weighted average number of due days granted to end customers on invoices purchased in the reporting period.

## INTERIM REPORT

### About Aprila Bank ASA

Aprila Bank offers automated financing solutions to small and medium-sized businesses through partner channels. The bank commenced operations in April 2018; providing financing through the cloud-based ERP solution Tripletex.

With the launch of the bank's first product, Aprila Invoice Sales, we have set a new standard in liquidity financing for Norwegian businesses. Aprila Invoice Sales represents the first fully digital solution for spot sale of invoices in the Norwegian market. Customer onboarding is done digitally, directly in partner channels, and only takes a few minutes to complete. Aprila Invoice Sales is seamlessly incorporated into customers' existing workflows and funds are paid the following business day at the latest.

Aprila Bank has made early strides towards improving the availability of financing, and working capital in particular, for small and medium-sized businesses. The team continues to work to fulfil this ambition, with an emphasis on new product development and broadening distribution.

The bank is owned by private and institutional investors in Norway and abroad. No individual shareholder has an ownership stake exceeding 10% in Aprila.

### Our fourth operating quarter

Q2 2019 is the fifth operating quarter for Aprila Bank, and the fourth quarter the bank is fully operational, following the launch in Tripletex on 26 June 2018.

Highlights from the quarter are outlined below.

### Highlights

- Accumulated purchased amount reached NOK ~308 million
- At EOP, 619<sup>4</sup> customers had onboarded of which 260 sold invoices in Q2
- Purchased amount increased 11% QoQ
- Built scalable and robust tech platform for future growth
- Established market leading data warehouse for advanced analytics

### Financial figures

All figures are prepared and presented in accordance with IFRS. Comparable figures from Q1 2019 are presented in brackets.

Purchased volume in Q2 amounted to NOK 89.5 million (NOK 80.6 million). Average margin was 2.58% (2.56%), and net interest income was NOK 2.3 million (NOK 2.1 million). Interest income from invoice purchase (adjusted for accruals) amounted to NOK 2.2 million (NOK 2.0 million).

Total operating expenses amounted to NOK 7.4 million (NOK 10.8 million) of which NOK 4.0 million (53%) in salary and personnel expenses, NOK 3.0 million (40%) in general administrative expenses and NOK 0.5 million (7%) in ordinary depreciation. Losses on loans amounted to NOK 0.7 million (NOK 0.9 million).

Total assets at the end of the quarter amounted to NOK 118 million (NOK 127 million) of which NOK 31 million were net loans to customers. Total equity amounted to NOK 112 million (NOK 118 million) and CET1-ratio was 213.6% (183.2%). Total liquid assets amounted to NOK 76 million (NOK 86 million) of which NOK 46 million in bank deposits and NOK 30 million in the LCR-fund DNB Global Treasury.

### Outlook

After introducing a stricter policy on factoring pledge in Q1 2019, the bank experienced a decline in purchased volume. In Q2 2019, the bank has eased the policy; some of the customer accounts that were put on hold in Q1 2019 have been reopened, and the onboarding process for new customers with factoring pledge has been simplified.

The implementation projects with Xledger and Uni Micro are nearly completed, and the bank now expects to go live with both partners during the third quarter. The consumer deposit product is finalised and tested and will be launched in August.

In July, Aprila Bank signed a new major distribution agreement with Visma Mamut AS, for the distribution of Aprila Invoice Sales through Visma eAccounting.

<sup>4</sup>) Net of closed accounts

With its ~120 000 customers in the Nordics, of which ~40,000 in Norway, Visma eAccounting is the largest cloud accounting system for micro- and small-sized businesses in Norway.

Going forward Aprila will continue to focus on three key priorities: improving customer acquisition, strengthening distribution and building competitive advantage.

In terms of the latter, Aprila Bank has just started to capitalise on accumulated insight, knowhow and operational learning by streamlining and automating business processes, reaping efficiency gains and creating a truly scalable model;

- **Scalable technology platform:** in Q2, the bank launched the second version of its technology platform by transferring the processes for customer onboarding and handling to the new platform. The APIs on the new platform will allow for simpler and faster integration with new ERP partners, and the new process support enables Aprila to handle significantly increased customer volumes.

- **Improved data warehouse:** the bank finalised the first version of its new data warehouse in the second quarter. The new data warehouse represents a significant improvement in data structure and quality and will enable advanced utilisation of available data.
- **New product:** utilising valuable insight from the first operational year, Aprila has put significant effort into the development of a new product. The new product is expected to be introduced during the second half of 2019.

#### Other information

Since Aprila Bank commenced its banking operations in Q2 2018, historical accounting figures prior to Q2 2018 are not comparable and have not been prepared.

The accounting deficit for Q2 has in its entirety been booked against retained earnings. This interim report has not been audited by the company's external auditor.

Oslo, 13 August 2019

**Board of Directors**  
Aprila Bank ASA

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousand	Note	Q2 2019	Q2 2018	YTD 2019	YTD 2018	2018
Interest income	2	2,346	314	4,475	364	3,668
Interest expense		20	53	38	53	158
<b>Net interest income</b>		<b>2,326</b>	<b>261</b>	<b>4,436</b>	<b>311</b>	<b>3,510</b>
Income commissions and fees		89	1	170	1	133
Expenses commissions and fees		721	10	1,357	10	982
<b>Net commissions and fees</b>		<b>-631</b>	<b>-9</b>	<b>-1,186</b>	<b>-9</b>	<b>-848</b>
Net gains / losses (-) on certificates, bonds and currency		96	3	122	3	112
Other income		0	6	0	6	6
<b>Total income</b>		<b>1,791</b>	<b>261</b>	<b>3,372</b>	<b>311</b>	<b>2,779</b>
Salary and other personnel expenses		3,983	3,269	10,275	7,108	17,604
General administrative expenses	7	2,977	2,960	7,043	4,656	9,338
<b>Total salary and administrative expenses</b>		<b>6,960</b>	<b>6,229</b>	<b>17,318</b>	<b>11,764</b>	<b>26,942</b>
Ordinary depreciation		485	325	954	351	1,085
<b>Total operating expenses excl. losses on loans</b>		<b>7,445</b>	<b>6,554</b>	<b>18,272</b>	<b>12,115</b>	<b>28,027</b>
Losses on loans	2	708	1	1,597	1	1,052
<b>Pre-tax operating profit</b>		<b>-6,362</b>	<b>-6,293</b>	<b>-16,496</b>	<b>-11,805</b>	<b>-26,299</b>
Tax expenses		0	0	0	0	0
<b>Profit after tax</b>		<b>-6,362</b>	<b>-6,293</b>	<b>-16,496</b>	<b>-11,805</b>	<b>-26,299</b>
Earnings per share (NOK)		-0.18	-0.17	-0.46	-0.33	-0.73
Diluted earnings per share (NOK)		-0.15	-0.15	-0.38	-0.28	-0.61

### COMPREHENSIVE INCOME

Amounts in NOK thousand	Q2 2019	Q2 2018	YTD 2019	YTD 2018	2018
<b>Comprehensive income for the period</b>	<b>-6,362</b>	<b>-6,293</b>	<b>-16,496</b>	<b>-11,805</b>	<b>-26,299</b>

## CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	Note	30.06.2019	31.12.2018	30.06.2018
Loans and deposits with credit institutions	4, 5	45,711	54,639	103,858
Net loans to customers	2	31,463	39,619	986
Certificates and bonds	5	30,235	30,112	30,003
Other intangible assets		5,728	5,838	6,487
Deferred tax assets		0	0	0
Fixed assets		2,711	1,064	1,141
Other receivables	6	2,580	2,226	1,789
<b>Total assets</b>		<b>118,429</b>	<b>133,500</b>	<b>144,264</b>
Deposits from and debt to customers		1	0	0
Other debt	6	6,761	5,999	2,710
<b>Total liabilities</b>		<b>6,761</b>	<b>5,999</b>	<b>2,710</b>
Share capital	3	36,220	36,220	36,183
Share premium	3	127,036	127,036	127,036
Other paid-in equity	3	1,108	446	43
Retained earnings	3	-52,697	-36,201	-21,706
<b>Total equity</b>		<b>111,667</b>	<b>127,501</b>	<b>141,554</b>
<b>Total equity and liabilities</b>		<b>118,429</b>	<b>133,500</b>	<b>144,264</b>

## CONDENSED STATEMENT OF THE CASH FLOW POSITION

Amounts in NOK thousand	Note	Q2 2019	Q2 2018	YTD 2019	YTD 2018	2018
Pre-tax operating profit		-6,362	-6,293	-16,496	-11,805	-26,299
Taxes		0	0	0	0	0
Ordinary depreciation		485	325	954	351	1,085
Change in loans	2	-615	-986	8,156	-986	-39,619
Change in deposits from customers		1	0	1	0	0
Change in securities	5	-98	-30,003	-123	-30,003	-30,112
Change in accruals		-3,362	291	408	490	3,342
<b>Net cash flow from operating activities</b>		<b>-9,952</b>	<b>-36,665</b>	<b>-7,100</b>	<b>-41,952</b>	<b>-91,603</b>
Net investments in fixed assets		121	-658	-1,840	-1,130	-1,225
Net investments in intangible assets		-620	-3,862	-650	-3,930	-3,844
<b>Net cash flow from investing activities</b>		<b>-499</b>	<b>-4,520</b>	<b>-2,490</b>	<b>-5,060</b>	<b>-5,069</b>
Paid-in equity	3	356	43	662	144,616	145,057
Other new financing		0	0	0	0	0
<b>Net cash flow from financing activities</b>		<b>356</b>	<b>43</b>	<b>662</b>	<b>144,616</b>	<b>145,057</b>
Net cash flow for the period		-10,095	-41,143	-8,928	97,603	48,384
Cash and cash equivalents at the start of the period	4	55,807	145,001	54,639	6,255	6,255
<b>Cash and cash equivalents at the end of the period</b>	4	<b>45,711</b>	<b>103,858</b>	<b>45,711</b>	<b>103,858</b>	<b>54,639</b>



## CONDENSED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK thousand	Share capital	Share premium	Other paid-in equity	Retained earnings	Total equity
<b>Equity as of 31 December 2018</b>	<b>36,220</b>	<b>127,036</b>	<b>446</b>	<b>-36,201</b>	<b>127,501</b>
Share capital increase	0	0			0
Changes in equity due to stock options program			306		306
Net profit for the period				-10,134	-10,134
<b>Equity as of 31 March 2019</b>	<b>36,220</b>	<b>127,036</b>	<b>752</b>	<b>-46,334</b>	<b>117,673</b>
Share capital increase	0	0			0
Changes in equity due to stock options program			356		356
Net profit for the period				-6,362	-6,362
<b>Equity as of 30 June 2019</b>	<b>36,220</b>	<b>127,036</b>	<b>1,108</b>	<b>-52,697</b>	<b>111,667</b>

## NOTES

### Note 1 General accounting principles

#### Reporting entity

Aprila Bank is a bank domiciled in Norway. The bank's registered office is at Kirkegata 5, 0153 Oslo.

#### Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and with the same accounting principles as used in the annual statement for 2018.

The bank was granted a commercial banking license from the Financial Supervisory Authority of Norway (NO: Finanstilsynet) in March 2018.

Following the implementation of IFRS 16, Aprila has recognised a "right to use" asset and a lease obligation of NOK 2 million as of 1 January 2019.

The interim report was authorised for issue by the bank's board of directors on 13 August 2019.

#### Functional and presentation Currency

These consolidated financial statements are presented in NOK, which is the bank's functional currency. All amounts have been rounded to the nearest thousand, except where otherwise indicated.

## Note 2 Loans to customers

### LOANS TO CUSTOMERS

Amounts in NOK thousand	30.06.2019	31.12.2018	30.06.2018
Non-recourse factoring	32,341	40,671	986
<b>Gross lending</b>	<b>32,341</b>	<b>40,671</b>	<b>986</b>
Impairment of loans	878	1,052	1
<b>Net loans to customers</b>	<b>31,463</b>	<b>39,619</b>	<b>986</b>

### DEFAULTS AND LOSSES

Amounts in NOK thousand	30.06.2019	31.12.2018	30.06.2018
<b>Gross defaulted loans</b>	<b>1,198</b>	<b>858</b>	<b>0</b>
Write-downs stage 1	59	122	1
Write-downs stage 2	68	162	0
Write-downs stage 3	751	768	0
<b>Net defaulted loans</b>	<b>321</b>	<b>-194</b>	<b>-1</b>

### LOAN LOSS PROVISIONS IN THE PERIOD

Amounts in NOK thousand	Q2 2019	2018	Q2 2018
Write-downs stage 1	8	122	1
Write-downs stage 2	48	162	0
Write-downs stage 3	-1,110	768	0
<b>Total write-downs on loans in the period</b>	<b>-1,054</b>	<b>1,052</b>	<b>1</b>
Realised losses in the period	1,762	0	0
<b>Losses on loans in the period</b>	<b>708</b>	<b>1,052</b>	<b>1</b>

### AGEING OF LOANS

Amounts in NOK thousand	30.06.2019	31.12.2018	30.06.2018
Loans not past due	24,870	23,317	883
Past due 1 - 30 days	4,990	11,845	104
Past due 31 - 60 days	1,149	4,701	0
Past due 61 - 90 days	567	643	0
Past due 91+ days	765	166	0
<b>Total</b>	<b>32,341</b>	<b>40,671</b>	<b>986</b>

### AGEING OF LOANS

Per cent	30.06.2019	31.12.2018	30.06.2018
Loans not past due	77%	57%	89%
Past due 1 - 30 days	15%	29%	11%
Past due 31 - 60 days	4%	12%	0%
Past due 61 - 90 days	2%	2%	0%
Past due 91+ days	2%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## GROSS LOANS TO CUSTOMERS

Amounts in NOK thousand	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans to customers as of 31 March 2019</b>	<b>28,458</b>	<b>1,818</b>	<b>2,504</b>	<b>32,779</b>
Transfers from Stage 1 to Stage 2	-220	220	-	0
Transfers from Stage 1 to Stage 3	-195	-	190	-6
Transfers from Stage 2 to Stage 3	-	-521	338	-183
Transfers from Stage 3 to Stage 2	-	-	-	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-
New financial assets issued or purchased	29,465	1,458	378	31,302
Financial assets derecognised in the period	-28,043	-1,297	-2,213	-31,552
<b>Gross loans to customers as of 30 June 2019</b>	<b>29,465</b>	<b>1,678</b>	<b>1,198</b>	<b>32,341</b>

## LOAN LOSS ALLOWANCES

Amounts in NOK thousand	Stage 1	Stage 2	Stage 3	Total
<b>Loss allowance as of 31 March 2019</b>	<b>51</b>	<b>20</b>	<b>1,861</b>	<b>1,932</b>
Transfers from Stage 1 to Stage 2	0	6	-	5
Transfers from Stage 1 to Stage 3	-1	-	77	77
Transfers from Stage 2 to Stage 3	-	-4	189	185
Transfers from Stage 3 to Stage 2	-	-	-	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-
New financial assets issued or purchased	59	62	292	413
Financial assets derecognised in the period	-50	-15	-1,668	-1,734
<b>Loan loss allowance as of 30 June 2019</b>	<b>59</b>	<b>68</b>	<b>751</b>	<b>878</b>

### Note 3 Regulatory capital

Amounts in NOK thousand	30.06.2019	31.12.2018	30.06.2018
Share capital	36,220	36,220	36,183
Share premium	127,036	127,036	127,036
Other equity	-51,588	-35,755	-21,664
<b>Total equity</b>	<b>111,667</b>	<b>127,501</b>	<b>141,554</b>
Other intangible assets	-5,728	-5,838	-6,487
Deferred tax assets	0	0	0
<b>Common equity tier 1 (CET 1)</b>	<b>105,940</b>	<b>121,663</b>	<b>135,068</b>
<b>Tier 1 capital</b>	<b>105,940</b>	<b>121,663</b>	<b>135,068</b>
<b>Total capital</b>	<b>105,940</b>	<b>121,663</b>	<b>135,068</b>
<b>RISK-WEIGHTED ASSETS (CALCULATION BASIS)</b>			
Loans and deposits with credit institutions	9,142	10,928	20,772
Loans to customers	29,955	37,500	986
Certificates and bonds	0	0	0
Other assets	5,291	3,291	2,931
<b>Credit risk</b>	<b>44,389</b>	<b>51,719</b>	<b>24,688</b>
Operational risk	5,212	16,067	16,067
<b>Risk-weighted assets</b>	<b>49,601</b>	<b>67,786</b>	<b>40,755</b>
<b>Capital ratios</b>			
Common equity tier 1 ratio (%)	213.6%	179.5%	331.4%
Tier 1 ratio (%)	213.6%	179.5%	331.4%
Total capital ratio (%)	213.6%	179.5%	331.4%
<b>LIQUIDITY COVERAGE RATIO (%)</b>			
Per cent	<b>30.06.2019</b>	31.12.2018	30.06.2018
LCR	153%	217%	1509%

## Note 4 Loans and deposits with credit institutions

Amounts in NOK thousand	30.06.2019	31.12.2018	30.06.2018
Loans and deposits with credit institutions	45,711	54,639	103,858
<b>Total</b>	<b>45,711</b>	<b>54,639</b>	<b>103,858</b>

## Note 5 Financial instruments

### Financial instruments at fair value

Financial instruments at fair value are measured at different levels:

#### Level 1

Financial instruments in level 1 are determined based on quoted prices in active markets for identical financial instruments available on the balance sheet date.

#### Level 2

Financial instruments in level 2 are determined based on inputs other than quoted prices, but where prices are observable either directly or indirectly. These include quoted prices in markets that are not active.

#### Level 3

When valuation cannot be determined in level 1 or 2, valuation methods based on non-observable market data are used.

### Certificates and bonds – level 1

#### FINANCIAL INSTRUMENTS AT FAIR VALUE

Amounts in NOK thousand	30.06.2019	31.12.2018	30.06.2018
Initial recognition	30,000	30,000	30,000
Change in fair value	235	112	3
<b>Total financial assets at fair value</b>	<b>30,235</b>	<b>30,112</b>	<b>30,003</b>

### Financial instruments at amortised cost

Amounts in NOK thousand	30.06.2019	31.12.2018	30.06.2018
Loans and deposits with credit institutions	45,711	54,639	103,858
Net loans to customers	31,463	39,619	986
<b>Total financial assets at amortised cost</b>	<b>77,174</b>	<b>94,258</b>	<b>104,844</b>

## Note 6 Receivables and other liabilities

### RECEIVABLES

Amounts in NOK thousand	30.06.2019	31.12.2018	30.06.2018
Skattefunn tax deduction claim	2,007	2,007	1,317
Other receivables	574	220	472
<b>Total receivables</b>	<b>2,580</b>	<b>2,226</b>	<b>1,789</b>

### OTHER LIABILITIES

Amounts in NOK thousand	30.06.2019	31.12.2018	30.06.2018
Payables to suppliers	520	1,346	1,009
Payables to factoring customers and partners	2,181	531	128
Social security tax	711	859	505
Other liabilities	3,349	3,263	1,069
<b>Total other liabilities</b>	<b>6,761</b>	<b>5,999</b>	<b>2,710</b>

## Note 7 General administrative expenses

Amounts in NOK thousand	Q2 2019	Q2 2018	YTD 2019	YTD 2018	2018
External services	1,199	1,165	3,272	1,820	3,632
IT operations	799	1,042	1,825	1,292	2,635
Rental of premises	309	240	554	481	961
Sales and marketing	77	196	165	543	769
Credit information	100	80	167	80	333
External audit and related services	0	28	188	28	28
Credit insurance	91	1	131	1	111
Other operating expenses	403	208	742	413	869
<b>Total general administrative expenses</b>	<b>2,977</b>	<b>2,960</b>	<b>7,043</b>	<b>4,656</b>	<b>9,338</b>

## Note 8 Subsequent events

There is no awareness of other events after the date of the balance sheet that may be of material significance to the accounts.

## Note 9 Shareholders

### 20 LARGEST SHAREHOLDERS AS REGISTERED IN VPS 29 JULY 2019

Shareholder	Shares	Per cent
1 AMESTO GROUP AS	3,618,182	10,0%
2 ALLIANCE VENTURE SPRING AS	2,824,406	7,8%
3 PRIMERA AS	1,600,000	4,4%
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	800,000	2,2%
12 ØSD FINANS AS	800,000	2,2%
13 UNIVERSAL PRESENTKORT AS	797,699	2,2%
14 SES AS	797,699	2,2%
15 DISRUPTOR AS	700,000	1,9%
16 SANDSOLO HOLDING AS	688,565	1,9%
17 NORDIC PRIVATE EQUITY AS	668,366	1,8%
18 AREPO AS	658,102	1,8%
19 SVINDAL AKSEL LUND	650,000	1,8%
20 SPORTSMAGASINET AS	634,709	1,8%
Others	13,274,020	36,6%
<b>Total</b>	<b>36,220,084</b>	<b>100%</b>



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