



Aprila Bank ASA | Q2 2019 | 14 August 2019

Disclaimer

Forward-looking statements



This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance.

Although Aprila Bank believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors.

Important factors that may cause such a difference for Aprila Bank include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels.

This presentation does not imply that Aprila Bank has undertaken to revise these forward-looking statements, beyond what is required by applicable law or other applicable regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

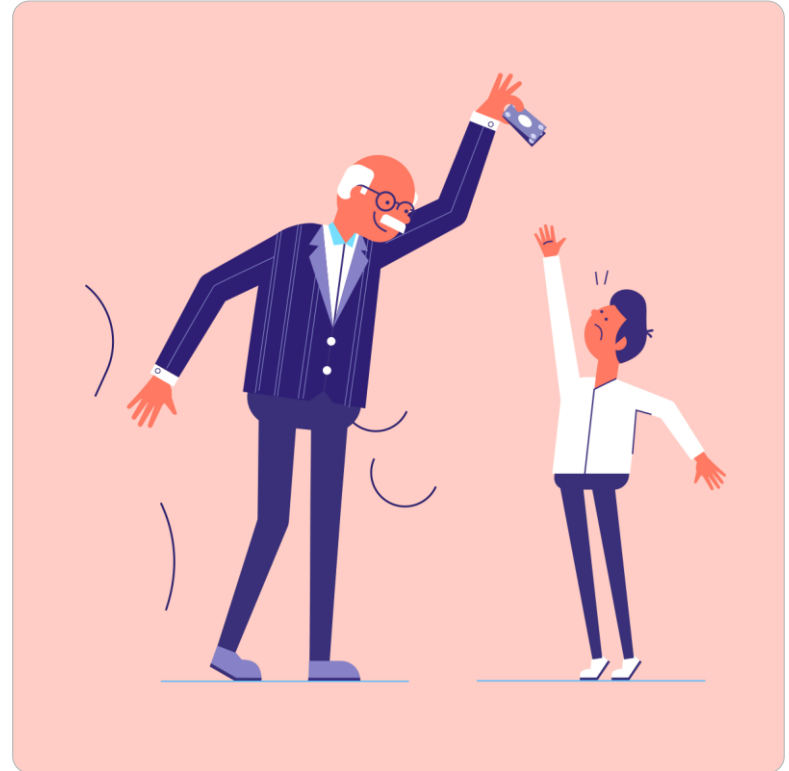


Table of contents

Overview



01

Highlights

02

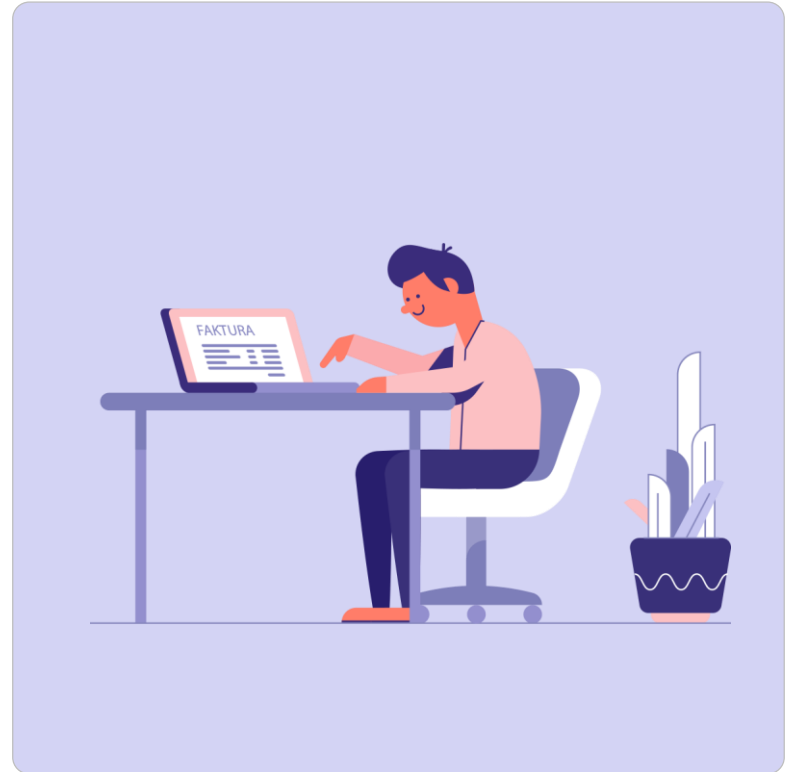
Key figures

03

Outlook

04

Appendix





Q2-19

<i>NOKm</i>	Q1-19	Q2-19
Purchased amount	81	89
Total income	1.6	1.8
Pre-tax operating profit	-10.1	-6.4
Yield on avg. net loans ¹	24 %	30 %

LTM

Q3-18 – Q2-19

<i>NOKm</i>	Q3-18 – Q2-19
Purchased amount	307
Total income	5.8
Pre-tax operating profit	-31.0
Equity EOP ²	112

Our first five quarters

- Net 619 customers onboarded of which 379 have sold invoices
- NOK ~308 million purchased
- ~9,700 invoices towards ~4,000 different end customers

Building the future

- Signed new agreement for distribution in Visma eAccounting
- Deposit module to be launched in August
- Integrations with Xledger and Uni Economy close to launch
- Good progress on new product development

Positioned to capitalise on accumulated insight

- Presence in several systems will allow for benchmarking
- Building analytical predictive capabilities
- Product market fit confirmed by market survey and retention analysis

Table of contents

Overview



01

Status

02

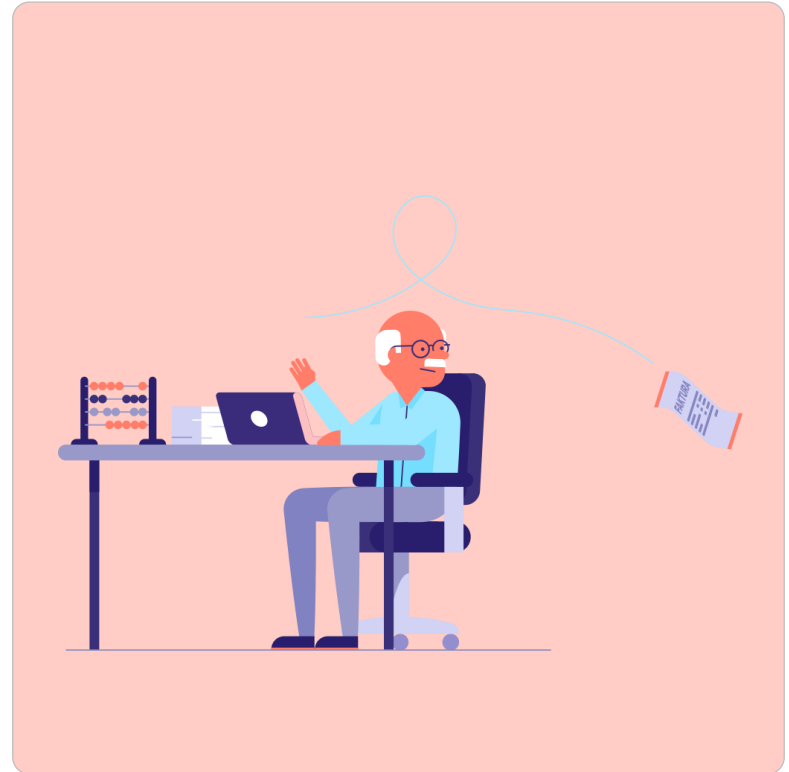
Key figures

03

Outlook

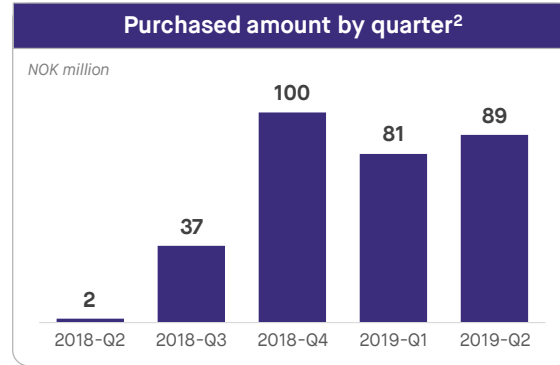
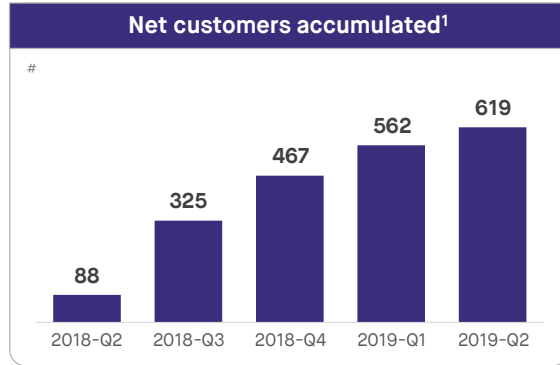
04

Appendix



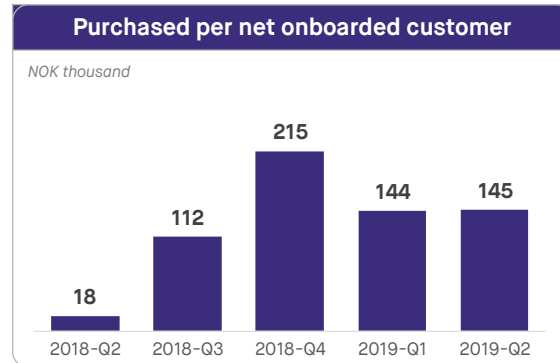
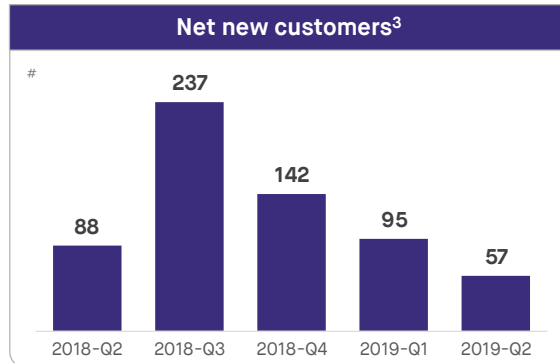
Key figures

619 onboarded customers at EOP and NOK 89m purchased in Q2-19



Key comments

- 619 customers at EOP
- NOK 89m purchased;
 - 11% increase QoQ
- Net 57 new customers
- NOK 145 000 purchased per net customer

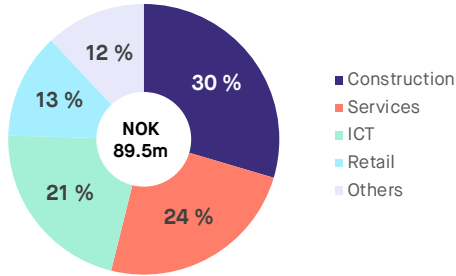


Active customers

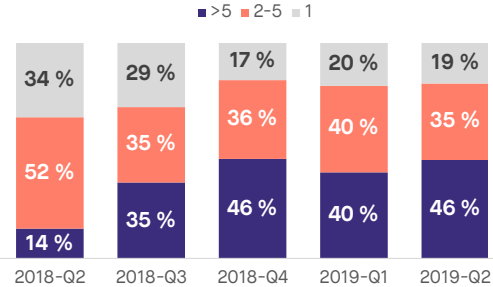
~60% of the onboarded customers have sold invoices



Purchased amount by customer industry (Q2-19)



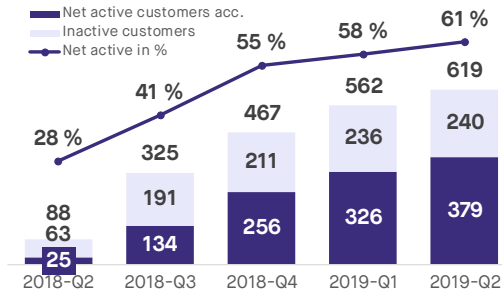
Active customers¹ by # of sold invoices



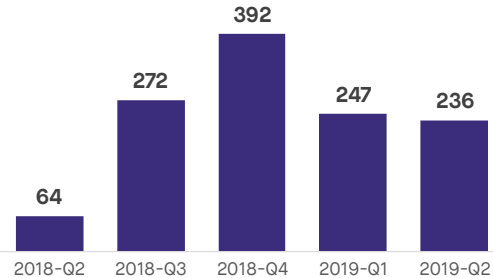
Key comments

- Services, construction and ICT accounted for 75% of purchased amount in Q2
- ~80% of the active customers sold two invoices or more
- 379 of 619 open customer accounts (~60%) had sold invoices at EOP
- 260 customers sold invoices in Q2
- Run-rate of NOK ~1 million purchased per active customer per year

Active customers² vs. total net customers



Purchased per net acc. active customer³



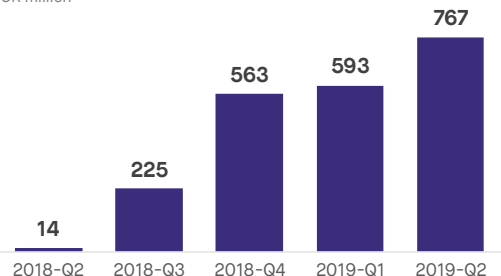
Key invoice figures

~30% increase in available invoice volume



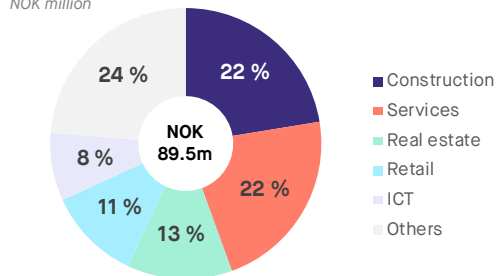
Invoiced amount¹

NOK million



Purchased amt by end customer industry (Q2-19)

NOK million

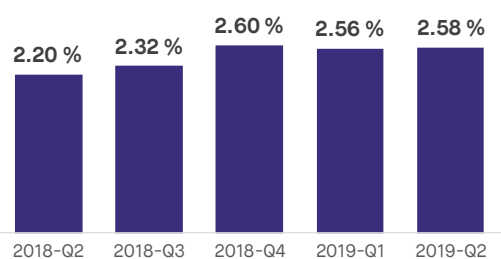


Key comments

- Available invoiced volume¹ in Q2 amounted to **NOK 767m**
- With a purchased amount of NOK 89.5 million, the conversion rate⁴ (in NOK) was **11.7%** (13.6% in Q1-19)
- VWA margin in Q2-19: **2.58%**
- VWA granted days in Q1-19: **22.9**

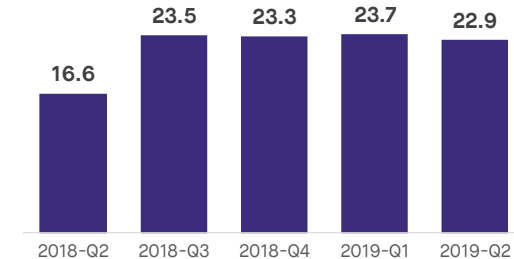
Margin² (volume weighted average)

%



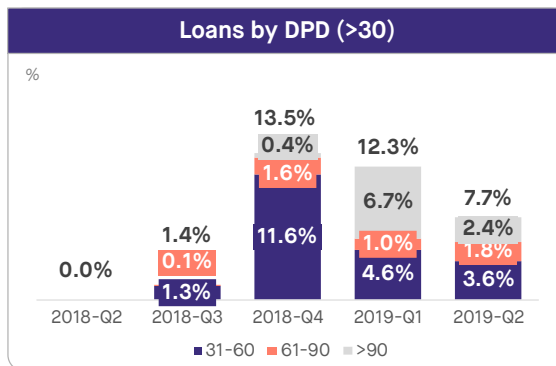
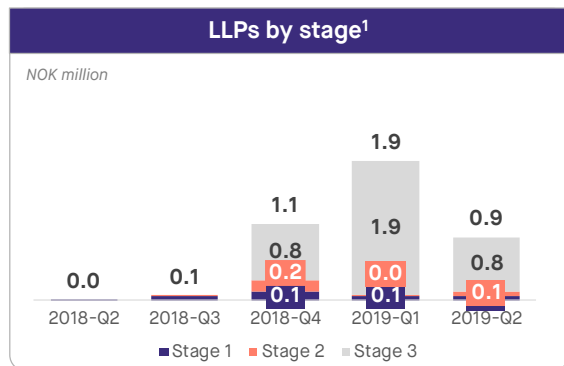
Granted days³ (volume weighted average)

days



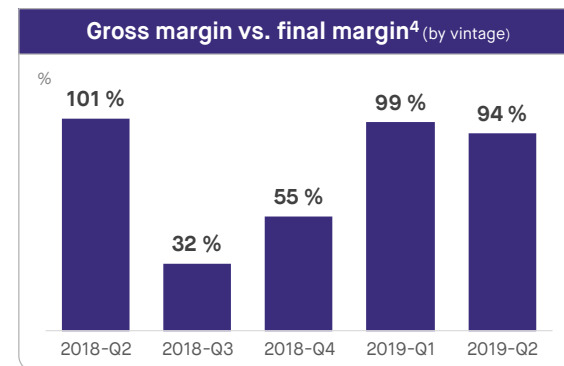
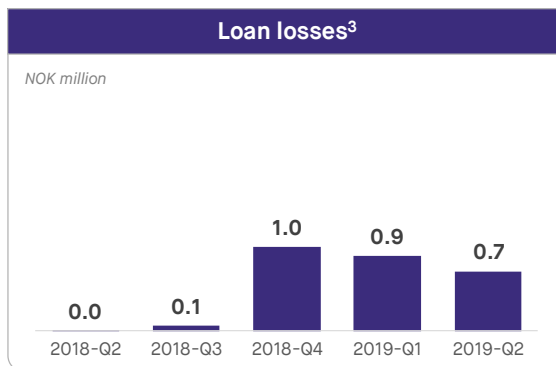
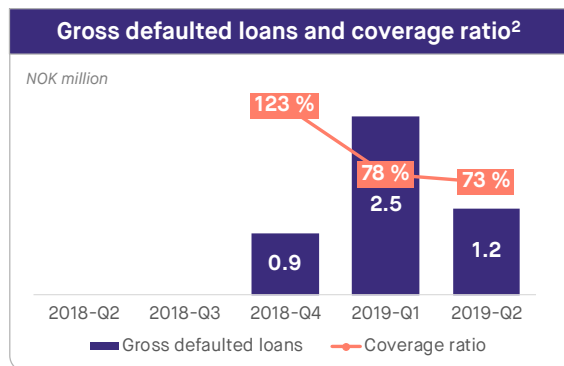
Loan losses and provisions

Sound improvement in credit quality



Key comments

- LLPs of **NOK 0.9m / 2.7%** of gross loans at 30 Jun 2019
- Gross defaulted loans of **NOK 1.2m**
 - Coverage ratio² of 73%
- DPD >30: **7.7%** 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. || Note 3: Sum of loan loss provisions and realised losses in the period. || Note 4: Gross margin = Gross margin at the time of purchase = Amount due – Disbursed Amount. Final margin = Gross margin adjusted for collection income and loan losses.

Table of contents

Overview



01

Status

02

Key figures

03

Outlook

04

Appendix

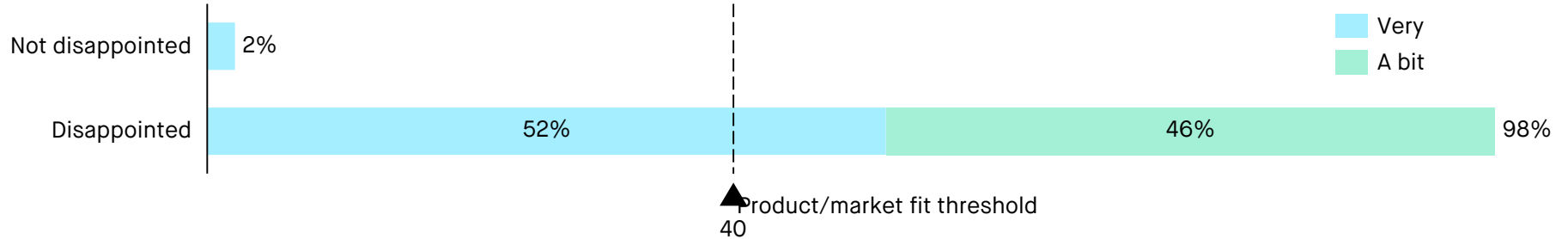


Aprila has already achieved product/market fit for invoice purchasing



Next step is to scale up penetration of this product in the Norwegian SME Market

More than half of our customers would be "very disappointed" if they were not able to use the product



And they prove this by repeating to use the product with stable to increasing frequency

Likelihood of an onboarded customer using the product in a given month after onboarding

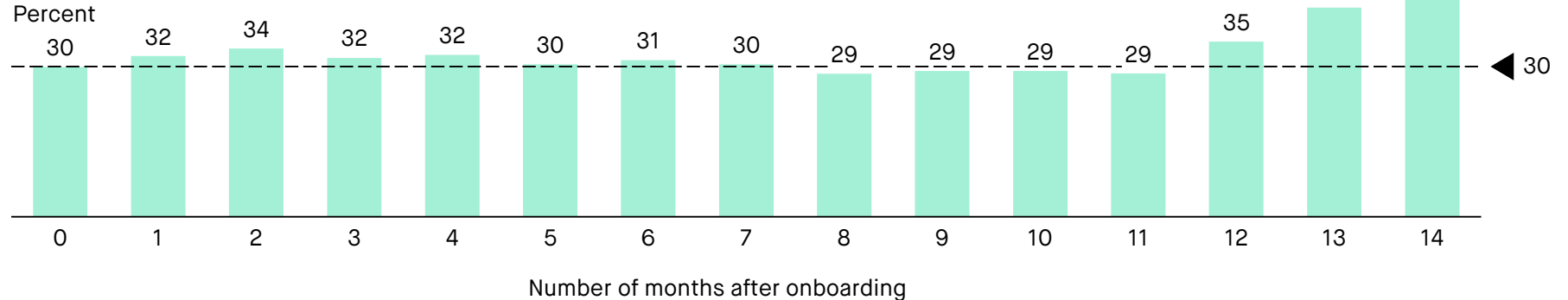


Table of contents

Overview



01

Status

02

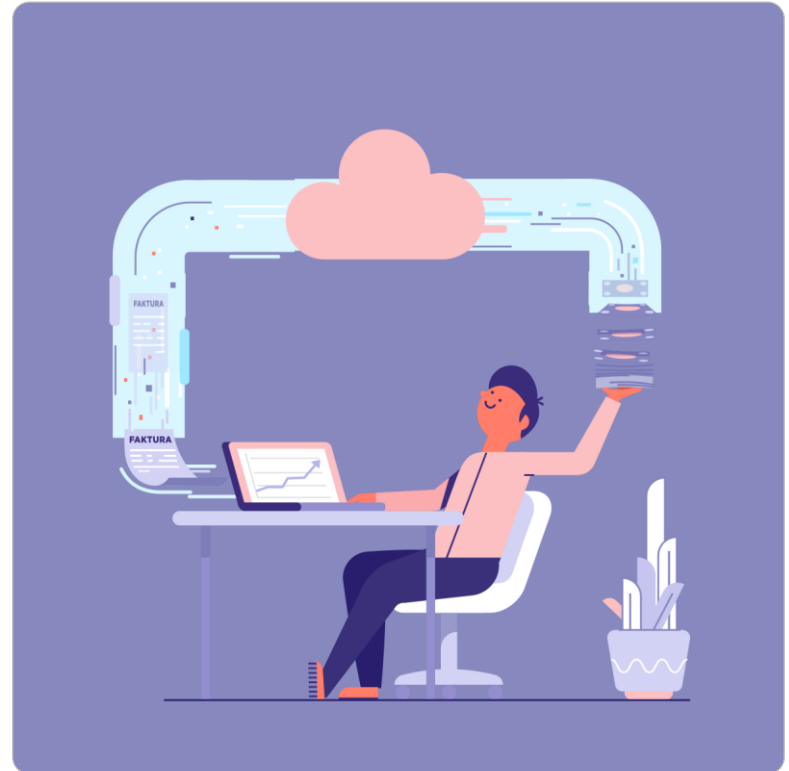
Key figures

03

Outlook

04

Appendix



Income statement & general administrative expenses

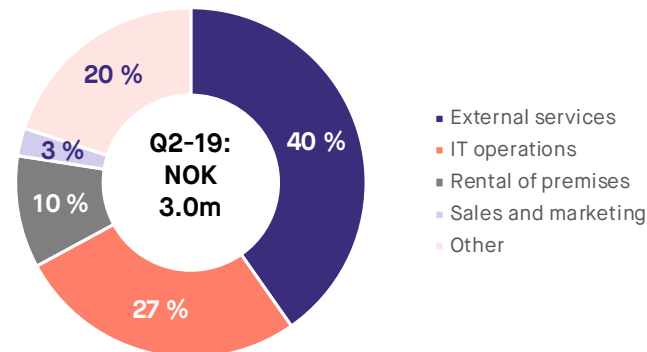


Income Statement

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

General administrative expenses

<i>Amounts in NOK thousand</i>	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
Total general administrative expenses	2,977	2,960	7,043	4,656	9,338



Balance sheet & regulatory capital



Balance Sheet

<i>Amounts in NOK thousand</i>	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
Certificates and bonds	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	2,580	2,226	1,789
Total assets	118,429	133,500	144,264
Deposits from and debt to customers	1	0	0
Other debt	6,761	5,999	2,710
Total liabilities	6,761	5,999	2,710
Share capital	36,220	36,220	36,183
Share premium	127,036	127,036	127,036
Other paid-in equity	1,108	446	43
Retained earnings	-52,697	-36,201	-21,706
Total equity	111,667	127,501	141,554
Total equity and liabilities	118,429	133,500	144,264

Regulatory capital

<i>Amounts in NOK thousand</i>	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
Total equity	111,667	127,501	141,554
Other intangible assets	-5,728	-5,838	-6,487
Deferred tax assets	0	0	0
Common equity tier 1 (CET 1)	105,940	121,663	135,068
Tier 1 capital	105,940	121,663	135,068
Total capital	105,940	121,663	135,068
Risk-weighted assets			
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
Credit risk	44,389	51,719	24,688
Operational risk	5,212	16,067	16,067
Risk-weighted assets	49,601	67,786	40,755
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 %
LCR	153 %	217 %	1509 %

Ownership & warrant structure¹

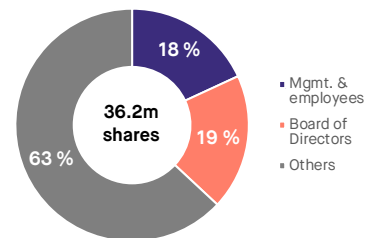
Aligned interests among key stakeholders



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	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			1,010,000	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	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 %	
21	INCHOATE AS	Heiki Strengelsrud	Chief Customer Officer	610,000	1.7 %	500,000
22	ENIMAE AS			600,000	1.7 %	
23	ELIGERE AS	Lene Gridseth	Chief Operating Officer	573,200	1.6 %	375,000
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			8,664,153	23.9 %	312,500
	Total			36,220,084	100.0 %	6,662,500

Share distribution



Warrant distribution

