

Aprila

Aprila Bank ASA | Q2 2021 | 12 August 2021

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.

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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

Using 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

Leveraging on distribution partners

- Embedded in the accounting systems of ~130,000 SMEs
- Commenced operations in Q2 2018, launching spot factoring embedded in Tripletex (online accounting system)
- Credit line up to NOK 500k launched in Tripletex on 16 Dec 2019 and in own channels (kasskredit.no) 20 Dec 2019

Key Performance Indicators

of platform customers **4,048**
(8 Aug 2021)¹

Gross revenue run-rate **64**
(NOK million, annual run-rate, July 2021)

Gross margin **73%**
(Q2 21)²

Job creation **1,314**
(Total # jobs Aprila has contributed to preserving or creating since inception)



Q2 21

<i>NOKm</i>	Q2 20	Q2 21
Gross loans	76.2	252.9
Gross income from lending	3.5	13.9
Total income	2.4	10.8
Pre-tax operating profit	-12.1	-7.3
Yield on av.g. net loans ¹	21 %	25 %

LTM

<i>NOKm</i>	<i>LTM ending</i>	
	Q2 20	Q2 21
Gross loans	76.2	252.9
Gross income from lending	13.0	41.5
Total income	9.2	31.0
Pre-tax operating profit	-45.0	-50.4
Yield on av.g. net loans ¹	28%	26%

Strong revenue growth

- Gross income from lending reached NOK 13.9 million in Q2, an increase of 296% YoY and 20% QoQ
- Gross loans at the end of the quarter amounted to NOK 253 million, an increase of 232% YoY and 19% QoQ
- Purchased amount in the quarter amounted to NOK 150 million; a gain of 87% YoY and a decline of 5% QoQ

Significant improvement in product profitability

- Gross margin before loan losses increased from 67% in Q1 to 73% in Q2
 - Driven by price optimisation and an increasing share of customers coming from direct channels
- This in combination with overall revenue growth resulted in a total income growth of 343% YoY and 24% QoQ
- Loan losses as share of gross income declined from 61% in Q1 to 29% in Q2
 - Driven by tightening of credit algorithms and general sentiment improvement due to reopening of the economy

Revenue growth has accelerated

Q2 21 gross income and total income grew by 296% and 343% respectively, compared to Q2 20...



Quarterly income from lending
NOK million

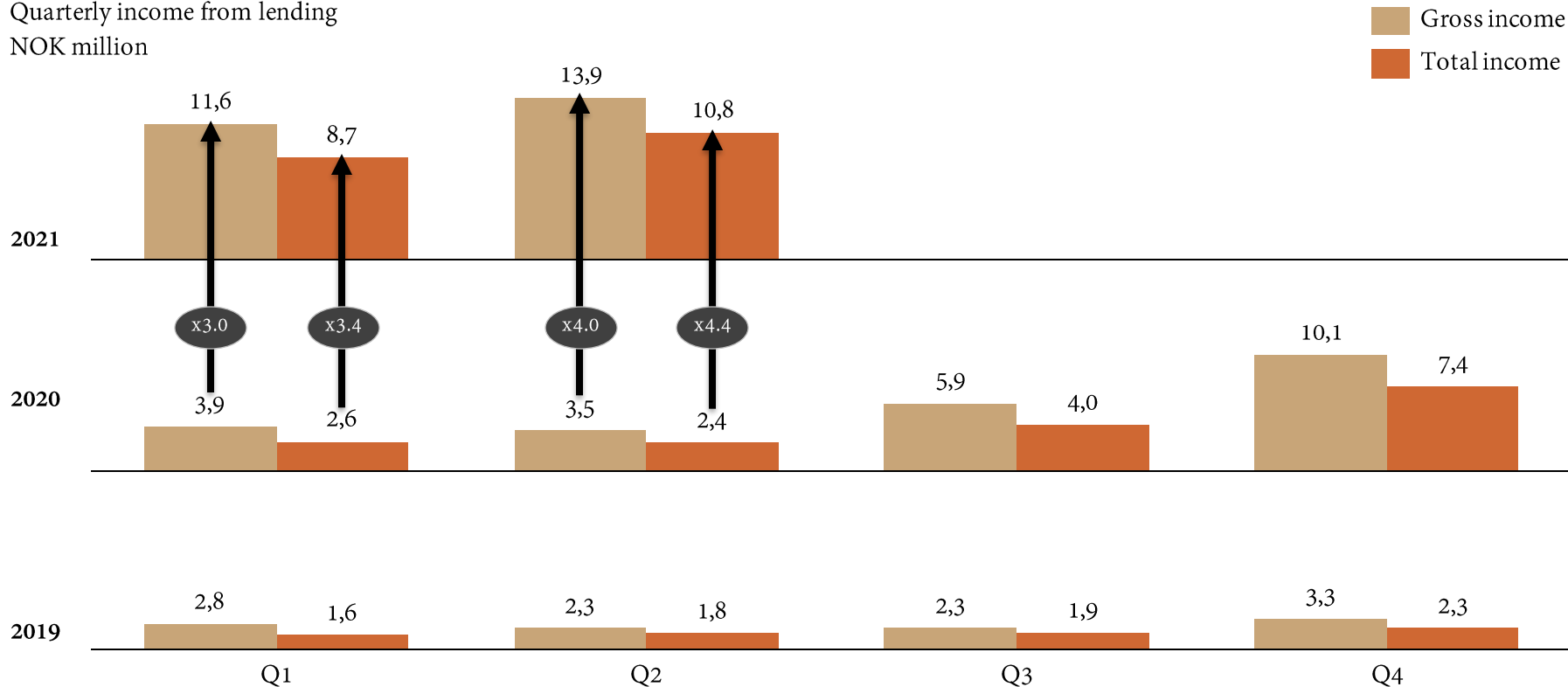


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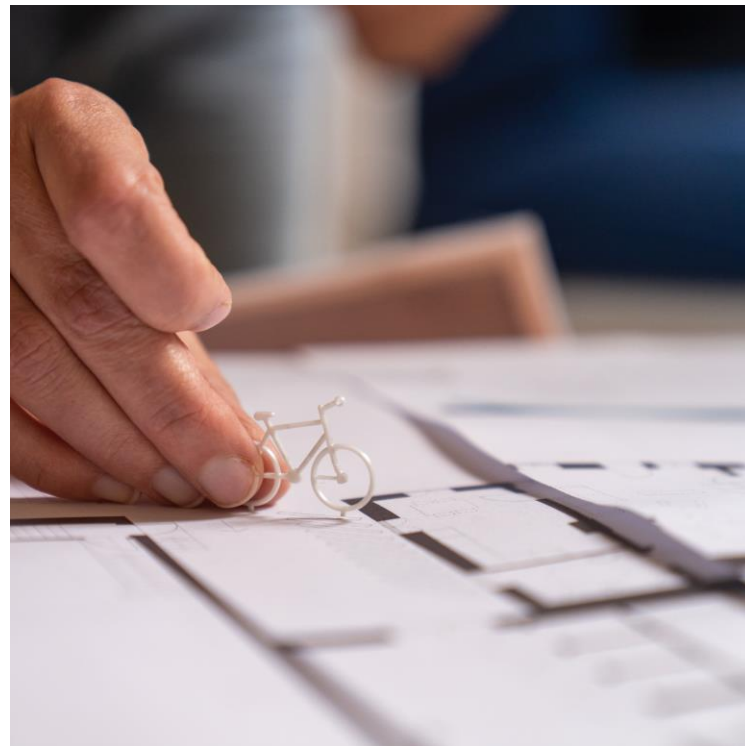
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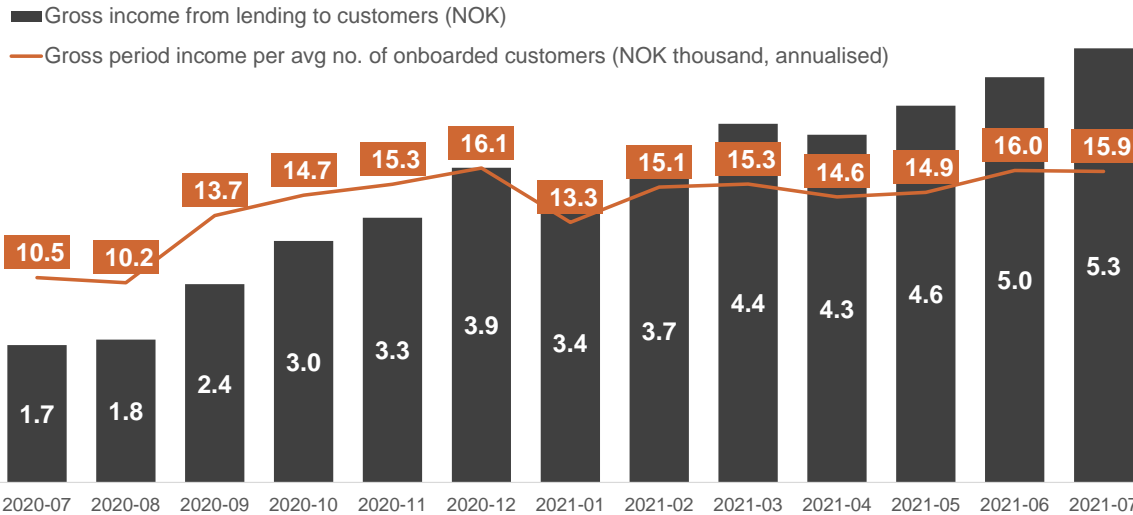


Gross income run-rate

NOK 64m in annual gross income run-rate in July



Gross income from lending (NOK million) and gross income per customer (NOK thousand)



of unique customers

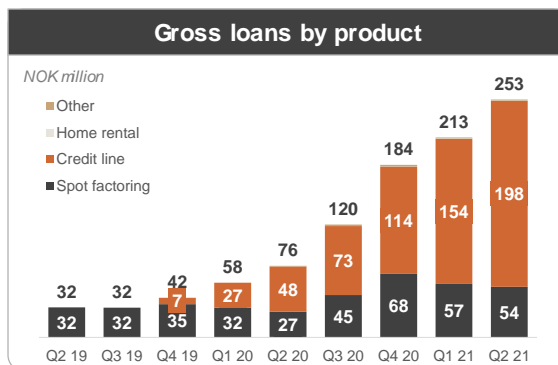
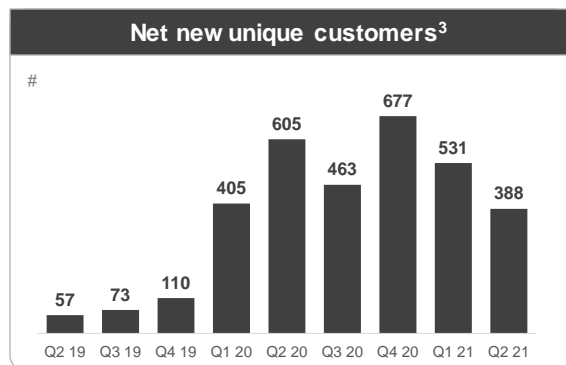
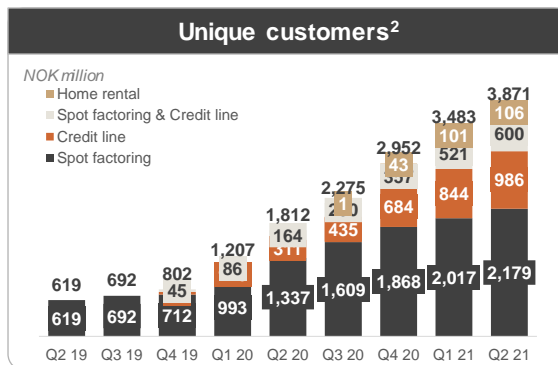
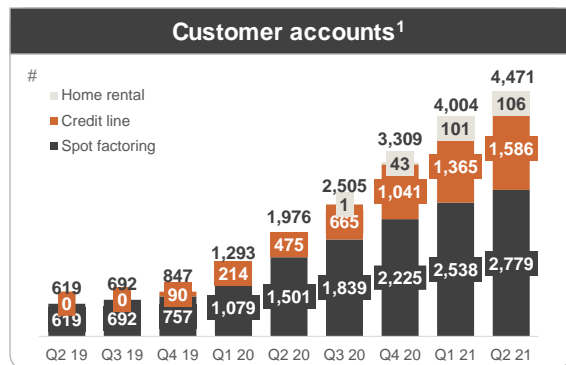


Key comments

- Gross income in July amounted to NOK 5.3 million, corresponding to an annual run-rate of NOK 64 million.
- This represents a gross income growth of 216% YoY and 7.1% MoM

Key figures

3,871 unique customers and NOK 253m in gross loans at EOP



Key comments

- 4,471 customer accounts and 3,871 unique customers at EOP
 - Customer account growth: 126% YoY and 12% QoQ
 - Unique customer growth: 114% YoY and 11% QoQ
- Net 388 new customers in Q2
 - April's own channels accounted for 37% of the customers added in the quarter, followed by Fiken (34%), Visma eAccounting (10%), Tripletex (7%) and other channels (13%).
 - The share of new customers from other sources than Visma-owned distribution channels has increased from 50% in Q2 20 to 84% in Q2 21
- NOK 253m in gross loans at EOP of which credit line accounted for 78%

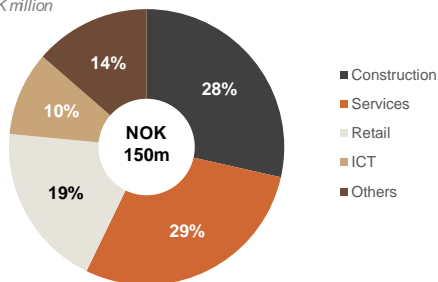
Spot factoring | Active customers

64% of our current spot factoring customers have sold invoices



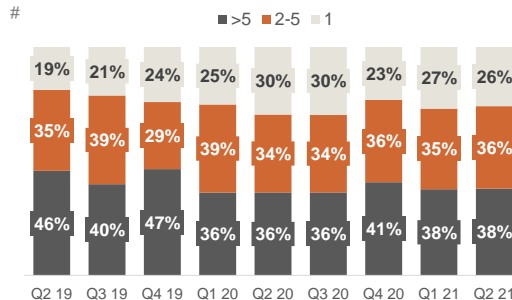
Purchased amount by customer industry

NOK million



Active customers¹ by # of sold invoices

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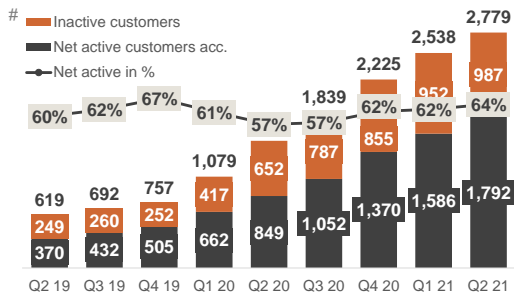


Key comments

- Construction, services and retail accounted for 77% of purchased amount in Q2 (76% in Q1)
- 74% of the active customers sold two invoices or more
- 1,792 of 2,779 open customer accounts (64%) had sold invoices at EOP
- 889 customers sold invoices in Q2 (846 in Q1)
- NOK 169k purchased per customer active in the period

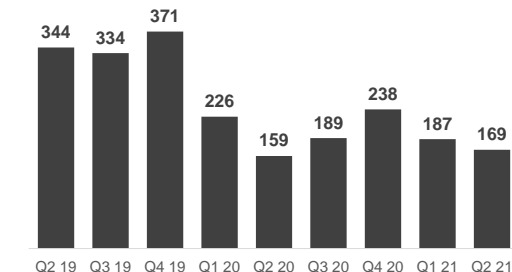
Active customers² vs. total net customers

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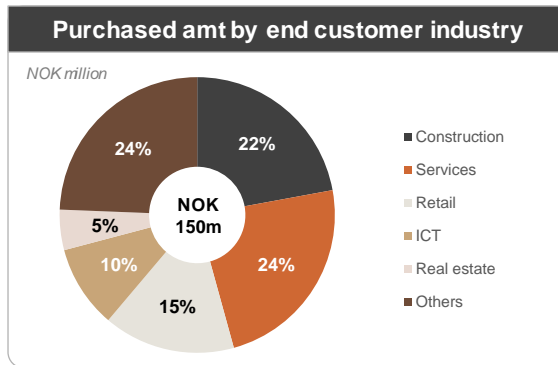
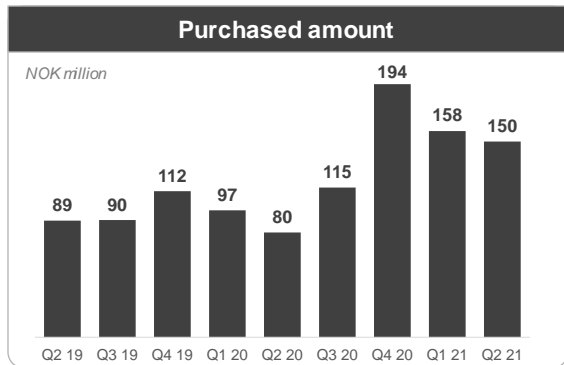
Purchased per active customer account³

NOK thousand



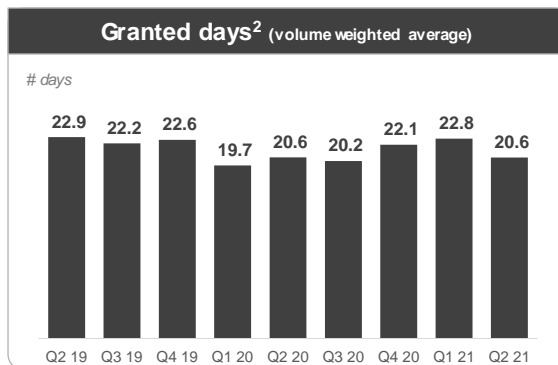
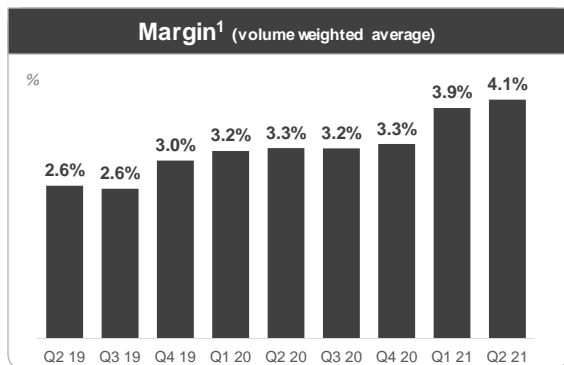
Spot factoring | Key invoice figures

Slight margin increase (and significantly improved product profitability due to low loan losses)



Key comments

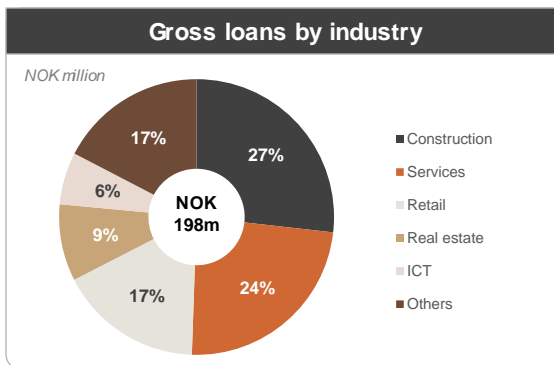
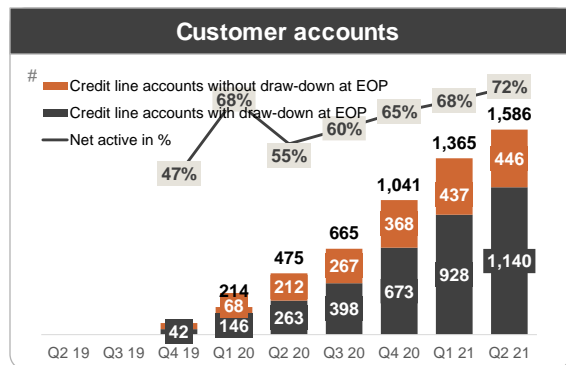
- NOK 150m purchased
 - 87% gain YoY and a decline of 5% QoQ
- VWA margin: 4.1%
- VWA granted days: 20.6



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

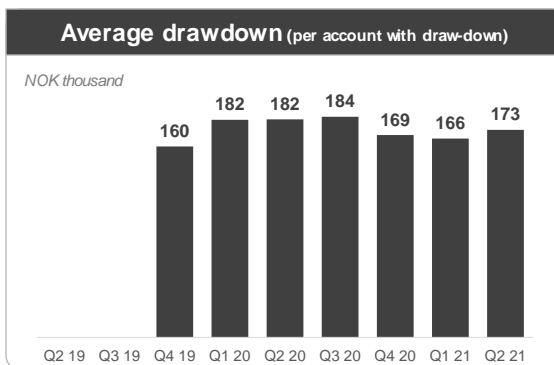
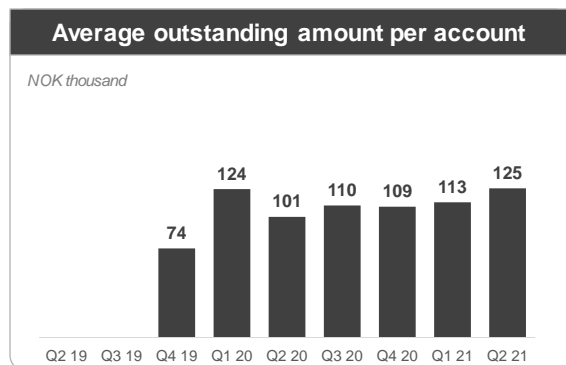
Credit line | Key figures

1,586 credit line accounts opened since medio December 2019



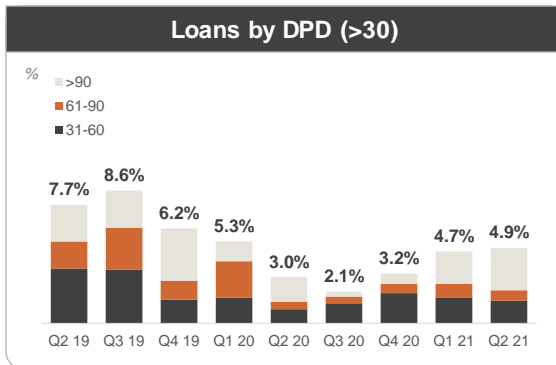
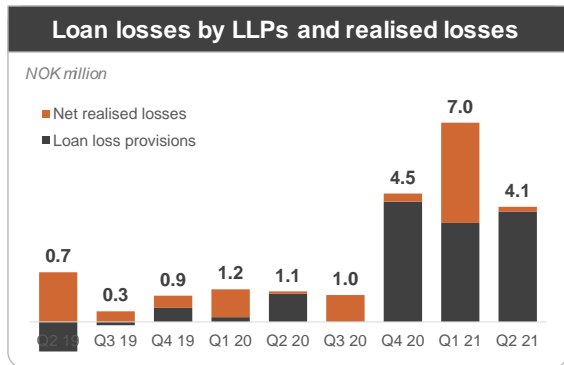
Key comments

- 1,586 credit line accounts at EOP
- Net 221 new accounts (+16%) added in the quarter
- NOK 125k outstanding per account at EOP
- On average NOK 173k drawn by customers with draw-down



Loan losses and provisions

Loan losses of 29% of gross income in Q2 21 (vs. 61% in Q1 21)



Key comments

- Total loan losses of NOK 4.1m in Q2 of which:
 - NOK 3.9m in LLPs and
 - NOK 0.2m in net realised losses
- DPD >30: 4.9% of gross loans
- Loan loss allowance in % of gross loans: 5.6%

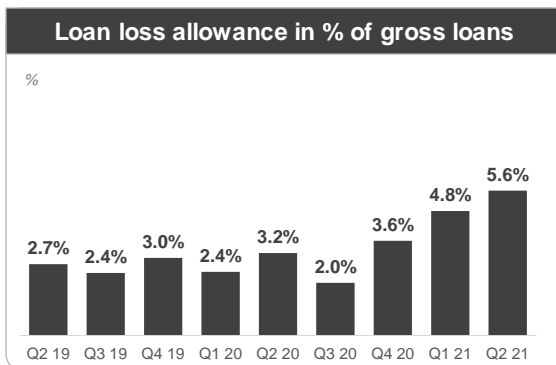
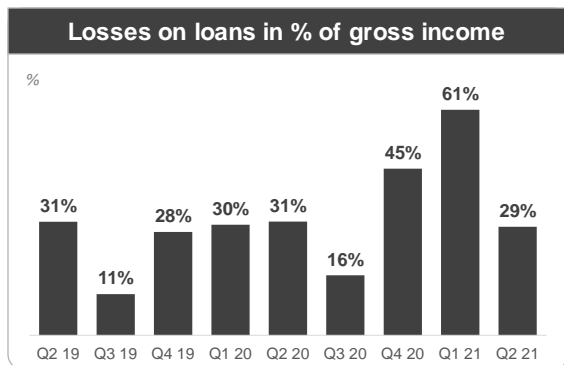


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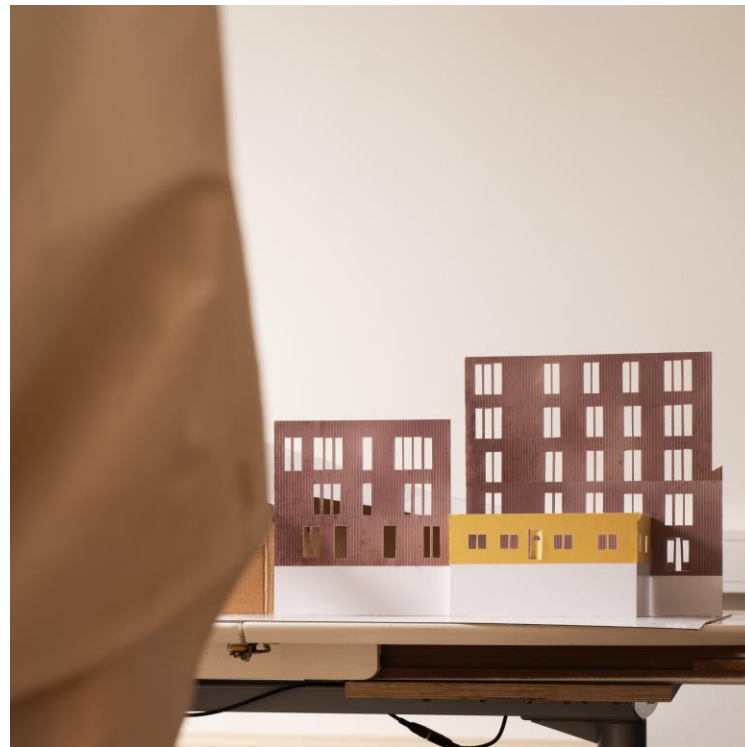
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H2 2021



Accelerate growth significantly

- Continue to optimise approval rates, limit calculations and pricing in order to find optimal level for accelerated and sustained customer growth
- Continue to optimise marketing use and spend to drive incoming demand
- Long term realistic ambition is to add >100 new business lending customers per week (in Norway)

Continue to improve profitability

- Continue to automate customer onboarding, servicing and monitoring
- Fine tune revenue vs loss tradeoffs
- Continue to automate reporting and compliance activities

Strengthen competitive advantage

- Optimise and fully implement proprietary PD model
- Continue to streamline customer onboarding and experience
- Implement bank account information into real-time evaluation of credit line applications

Financial outlook

On track towards year-end targets



	YE 2020	Q2 21	YE 2021E	Key drivers
Gross revenue Annual run-rate ¹ (NOK)	47.0	60.0	80 - 100	<ul style="list-style-type: none">Increased balance and yield on credit line
Gross margin bf. loan losses (LTM) ²	60%	67%	>70%	<ul style="list-style-type: none">Improved profitability on credit line and spot factoringLower commission expenses relative to gross income due to higher share of income sourced through own channels
Job creation (Since inception) ³	836	1,209	1,600	<ul style="list-style-type: none">New and existing SME customers

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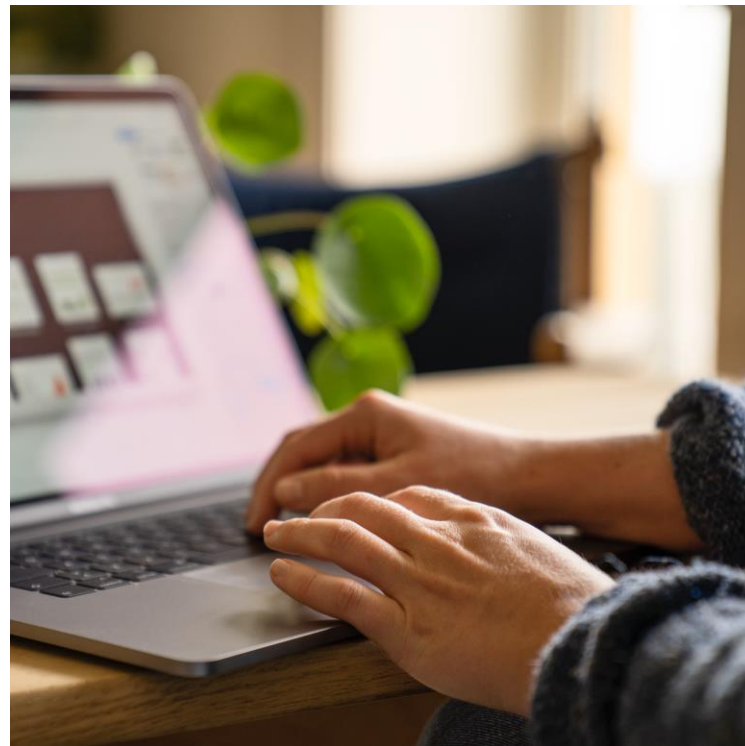
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Income statement & general administrative expenses

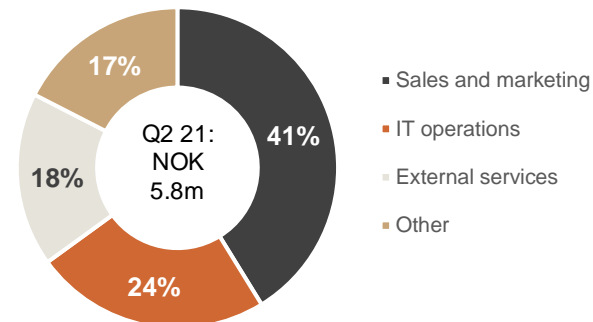


Income Statement

<i>Amounts in NOK thousand</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	2020
Interest income	13,448	3,366	24,744	7,224	22,754
Interest expense	656	561	1,720	917	2,144
Net interest income	12,792	2,806	23,024	6,307	20,610
Income commissions and fees	470	148	774	284	785
Expenses commissions and fees	2,427	859	4,891	1,941	5,607
Net commissions and fees	-1,957	-711	-4,117	-1,658	-4,821
Net gains / losses (-) on certificates, bonds and currency	-4	347	651	346	613
Other income	0	0	0	0	0
Total income	10,831	2,443	19,559	4,996	16,402
Salary and other personnel expenses	6,101	6,317	16,571	13,630	33,278
General administrative expenses	5,777	5,449	10,179	10,804	21,011
Total salary and administrative expenses	11,878	11,766	26,750	24,434	54,289
Ordinary depreciation	2,218	1,747	4,287	3,246	7,147
Total operating expenses excl. losses on loans	14,096	13,513	31,037	27,680	61,436
Losses on loans	4,067	1,075	11,110	2,227	7,715
Pre-tax operating profit	-7,332	-12,145	-22,588	-24,911	-52,749
Tax	0	0	0	0	0
Profit after tax	-7,332	-12,145	-22,588	-24,911	-52,749

General administrative expenses

<i>Amounts in NOK thousand</i>	Q2 2021	Q2 2020	YTD 2021	YTD 2020	2020
External services	1,013	2,248	1,855	4,766	6,122
IT operations	1,374	527	2,835	1,448	4,764
Sales and marketing	2,381	1,758	3,173	2,744	6,304
Credit information	304	128	573	246	761
External audit and related services	0	0	444	219	350
Credit insurance	172	67	236	119	349
Other operating expenses	533	720	1,063	1,262	2,361
Total general administrative expenses	5,777	5,449	10,179	10,804	21,011



Balance sheet & regulatory capital



Balance Sheet

<i>Amounts in NOK thousand</i>	30.06.2021	31.12.2020	30.06.2020
Loans and deposits with credit institutions	21,185	76,651	95,182
Net loans to customers	238,850	176,860	73,746
Certificates and bonds	56,288	155,832	55,875
Other intangible assets	16,649	19,183	19,023
Deferred tax assets	0	0	0
Fixed assets	2,949	4,029	5,104
Other receivables	7,660	6,387	7,808
Total assets	343,582	438,942	256,737
Deposits from and debt to customers	240,751	311,920	103,552
Other debt	13,089	14,924	14,135
Total liabilities	253,840	326,844	117,687
Share capital	44,631	44,590	44,590
Share premium	190,545	190,545	190,309
Unregistered Share capital	0	40	0
Other paid-in equity	2,674	2,442	1,832
Retained earnings	-148,108	-125,520	-97,682
Total equity	89,742	112,098	139,050
Total equity and liabilities	343,582	438,942	256,737

Regulatory capital

<i>Amounts in NOK thousand</i>	30.06.2021	31.12.2020	30.06.2020
Share capital	44,631	44,590	44,590
Share premium	190,545	190,545	190,309
Other equity	-145,434	-123,037	-95,850
Total equity	89,742	112,098	139,050
Other intangible assets	-16,649	-19,183	-19,023
AVA adjustment	-56	-156	-56
Deferred tax assets	0	0	0
Common equity tier 1 (CET 1)	73,037	92,759	119,972
Tier 1 capital	73,037	92,759	119,972
Total capital	73,037	92,759	119,972
Risk-weighted assets			
Loans and deposits with credit institutions	4,237	15,330	19,036
Loans to customers	166,127	122,992	56,571
Certificates and bonds	0	6,002	2,518
Other assets	10,609	10,416	12,911
Credit risk	180,973	154,740	91,037
Operational risk	16,728	16,728	9,669
Risk-weighted assets	197,701	171,468	100,706
Common equity tier 1 ratio (%)	36.9%	54.1%	119.1%
Tier 1 ratio (%)	36.9%	54.1%	119.1%
Total capital ratio (%)	36.9%	54.1%	119.1%
Leverage ratio (%)	21.4%	21.6%	49.1%
LCR	609%	1418%	1205%

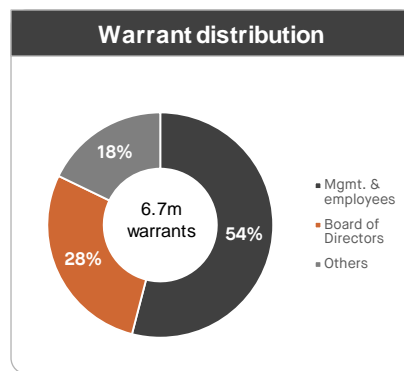
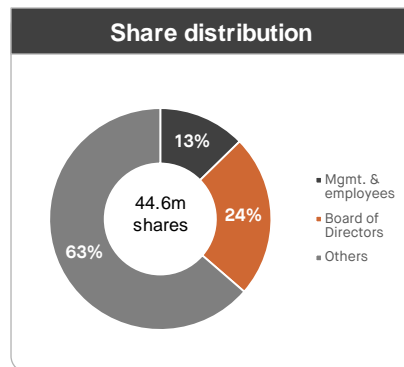
Ownership & warrant structure¹

Aligned interests among key stakeholders



Selected shareholders		
Investor	Selected current / previous holdings	
FJ LABS		

	ALLIANCE VENTURE	



Top 30 shareholders

#	Investor	Name	Role	Ownership		Warrants
				# shares	%	
1	AMESTO GROUP AS	Spandow Family	Chairman	4,284,848	9.6 %	1,875,000
2	ALLIANCE VENTURE SPRING AS	Bente Loe	Board member	3,174,406	7.1 %	
3	SES AS	Bertel Steen	Board member	2,868,686	6.4 %	
4	MP PENSJON PK			1,930,329	4.3 %	
5	STROMSTANGEN AS			1,817,622	4.1 %	
6	PRIMERA AS	Per Christian Goller	Chief Growth Officer	1,630,000	3.7 %	1,750,000
7	REDIVIVUS AS			1,154,008	2.6 %	
8	A HOLDINGS AS			1,099,545	2.5 %	
9	FJ LABS			1,099,400	2.5 %	
10	AREPO AS			907,747	2.0 %	
11	UNIVERSAL PRESENTKORT AS			897,699	2.0 %	
12	SIRKELBUE AS	Karl Erik Asbjørnsen	Technologist	800,000	1.8 %	500,000
13	ØSD FINANS AS	Øystein Dannevig	Chief Decision Scientist	800,000	1.8 %	
14	SIX SIS AG			777,470	1.7 %	
15	CHRISTIANIA SKIBS AS			765,000	1.7 %	
16	NORDIC PRIVATE EQUITY AS			750,000	1.7 %	
17	DISRUPTOR AS	Israr Khan	Chief Product & Tech Officer	730,000	1.6 %	600,000
18	ENIMAE AS			672,300	1.5 %	
19	INCHOATE AS			610,000	1.4 %	500,000
20	STRIGEN AS			608,798	1.4 %	
21	NORUS AS			591,530	1.3 %	
22	ELIGERE AS	Lene Gridseth	Chief Operating Officer	573,200	1.3 %	375,000
23	SPORTSMAGASINET AS			572,697	1.3 %	
24	KLØVNINGEN AS			535,350	1.2 %	
25	BLUE MOUNTAIN CAPITAL AS	Kjetil S. Barli	Chief Financial Officer	530,000	1.2 %	375,000
26	SANDSOLO HOLDING AS			522,110	1.2 %	
27	ASTEROIDEBAKKEN AS			522,105	1.2 %	
28	KNUDSEN			500,950	1.1 %	
29	SIDEKICK INVEST AS			500,000	1.1 %	375,000
30	SILVER & GOLD AS			461,000	1.0 %	
	Others			11,944,115	26.8 %	312,500
	Total			44,630,915	100.0 %	6,662,500

Note 1: As registered in VPS 6 August 2021.

Aprila