



Aprila Bank ASA | Q4 2019 | 14 February 2020

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Forward-looking statements



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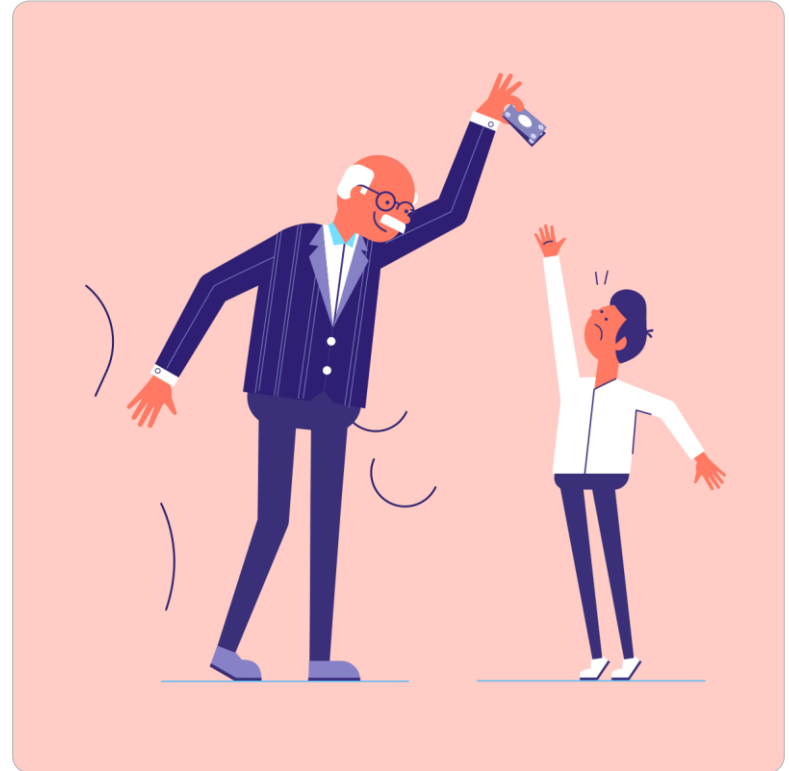


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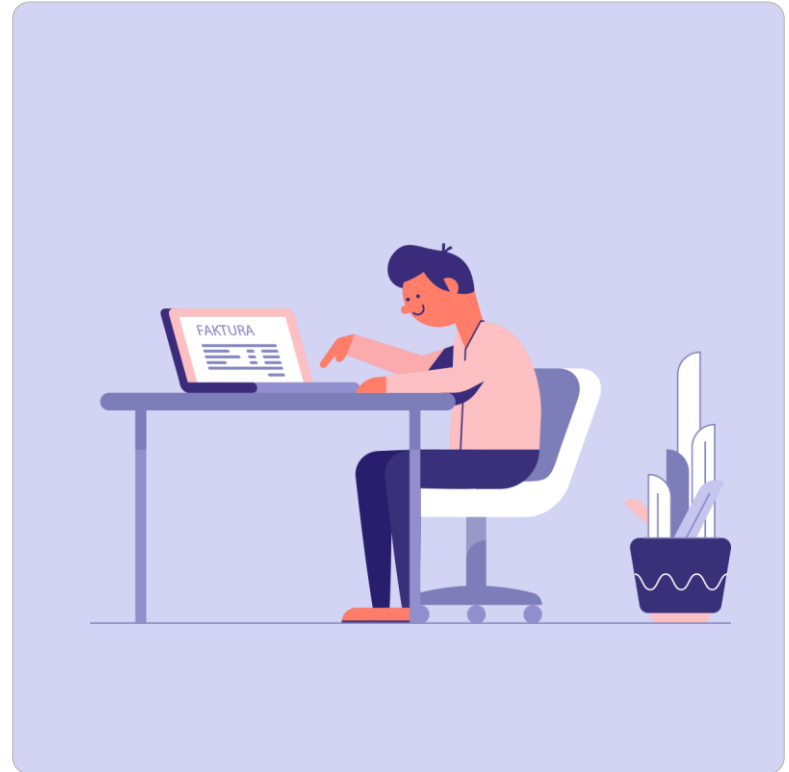
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Making credit available for a large underserved SME market

- 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

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 from Q1 2020

- 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 (kasssekreditt.no) 20 Dec 2019

Key figures

| | |
|---|----------------|
| # of SME customers (12 Feb 2020) | 901 |
| Average loan per customer (NOK, 31 Dec 2019) | ~53 000 |
| Gross income per customer (NOK, annual run-rate Dec 2019) | ~18 000 |
| Yield on net loans (Q4 19, annualised) | 37.0% |
| Funding cost (p.a.) | 2.1% |



Q4-19

| NOKm | Q3-19 | Q4-19 |
|--------------------------------------|-------|-------|
| Purchased amount | 90 | 112 |
| Gross income from lending | 2.3 | 3.3 |
| Total income | 1.9 | 2.3 |
| Pre-tax operating profit | -8.6 | -11.5 |
| Yield on avg. net loans ¹ | 30 % | 37 % |

2019

| NOKm | 2018 | 2019 |
|---------------------------|-------|-------|
| Purchased amount | 138 | 372 |
| Gross income from lending | 3.2 | 10.0 |
| Total income | 2.8 | 7.6 |
| Pre-tax operating profit | -26.3 | -36.6 |
| Equity EOP ² | 128 | 92 |

Solid margin expansion (+17%) and volume increase (+25%) in the quarter

- All-time high purchased amount of NOK 112m
- Margin expansion from 2.53% in Q3 to 2.96%
- Net 802 customers onboarded at EOP

Credit line launched ultimo Q4-19, two new distribution channels during Q1-20

- Credit line up to NOK 500k launched in Tripletex on 16 Dec 2019 and in own channels (kassekreditt.no) 20 Dec 2019
- First roll-out in Visma eAccounting commenced 10 Feb 2020 (3,000 of 40,000 users)
- First roll-out in Fiken (36,000 users) expected to commence during Q1

Uniquely positioned and ready to scale

- 3,500 customers and gross loans of NOK ~290m expected by year end 2020
- Strong capital position with a CET1% of 120.6 as of 31 Dec 2019
- Due to rapid growth in lending volumes, Aprila will consider to strengthen the capital position during 2020

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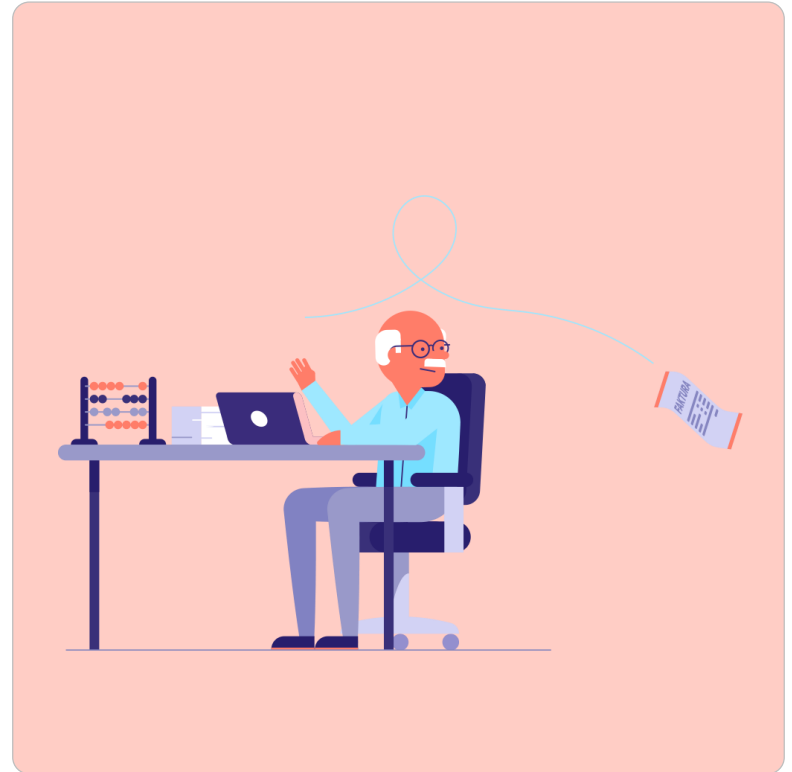
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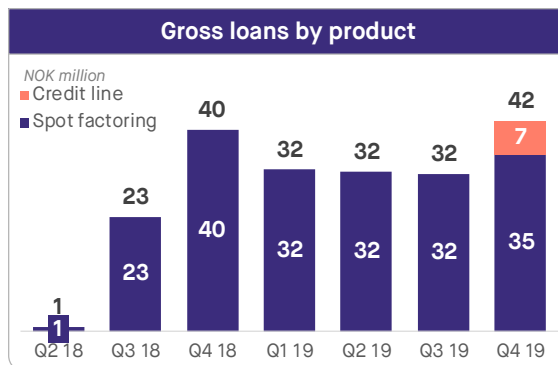
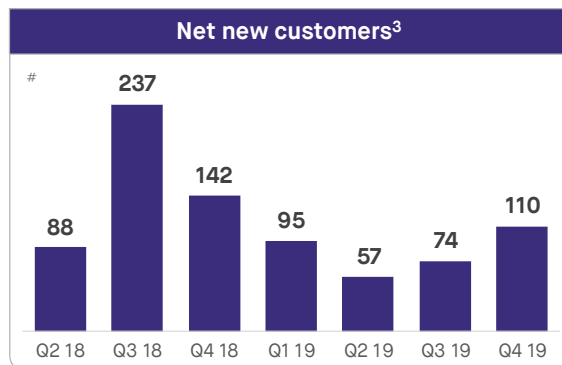
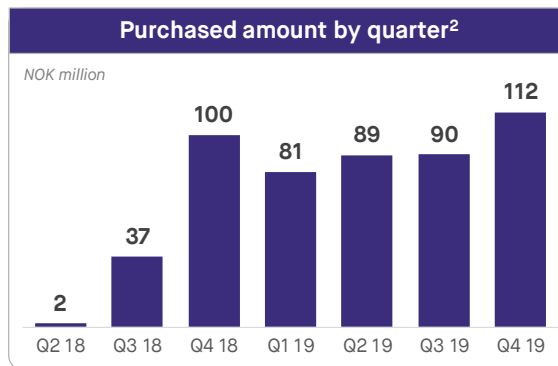
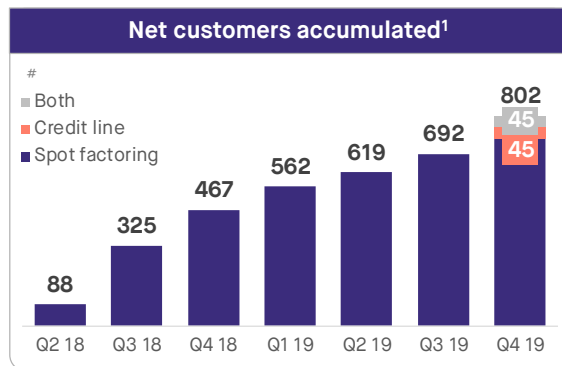
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Appendix



Key figures

802 customers at EOP and NOK 112m purchased in Q4 19



Key comments

- 802 customers at EOP
- NOK 112m purchased
- Net 110 new customers
- NOK 42m in gross loans at EOP of which NOK 7m in credit line

12 Feb 20

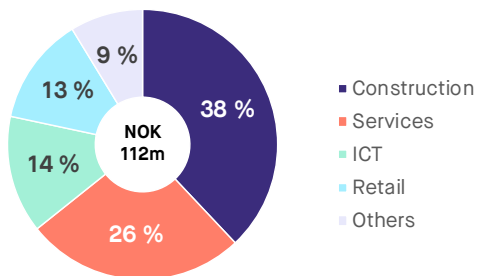
| | |
|------------------------------|-----|
| Customers (#) | 901 |
| Net new customers (# YTD) | 99 |
| Gross loans (NOK million) | 52 |

Spot factoring | Active customers

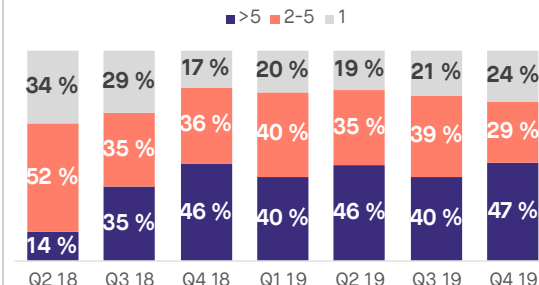
~68% of the spot factoring customers have sold invoices



Purchased amount by customer industry (Q4 19)



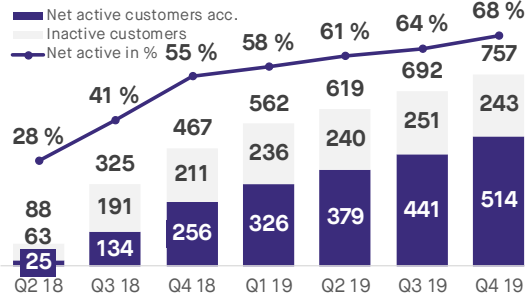
Active customers¹ by # of sold invoices



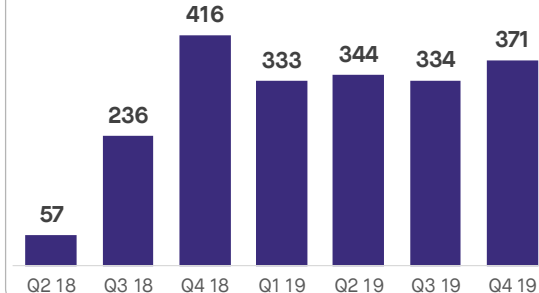
Key comments

- Construction, services and ICT accounted for 78% of purchased amount in Q2
- ~75% of the active customers sold two invoices or more
- 514 of 757 open customer accounts (68%) had sold invoices at EOP
- 302 customers sold invoices in Q4
- NOK 371k purchased per customer active in the period

Active customers² vs. total net customers



Purchased per active customer account³



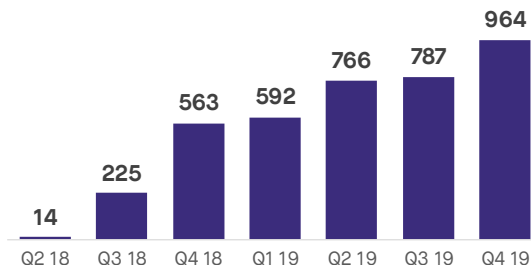
Spot factoring | Key invoice figures



Margin expansion from 2.53% to 2.96% (+17%)

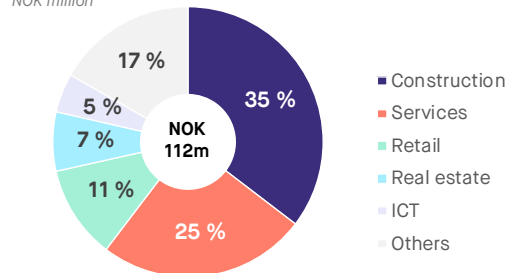
Invoiced amount¹

NOK million



Purchased amt by end customer industry (Q4 19)

NOK million

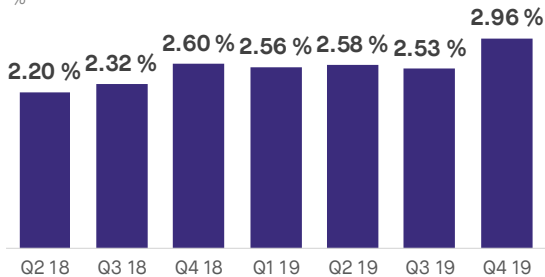


Key comments

- Available invoiced amount¹ in Q4 amounted to NOK 964m
- With a purchased amount of NOK 112 million, the conversion rate⁴ (in NOK) was 11.6% (11.4% in Q3)
- VWA margin: 2.96%
- VWA granted days in Q1-19: 22.6

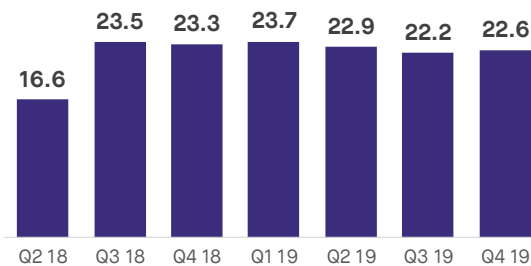
Margin² (volume weighted average)

%



Granted days³ (volume weighted average)

days

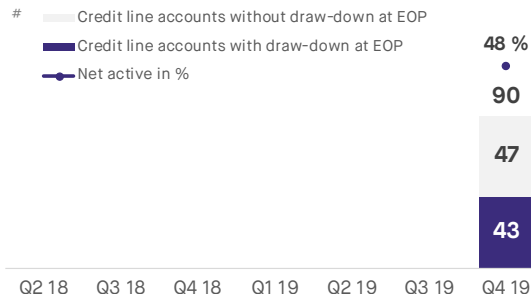


Credit line | Key figures

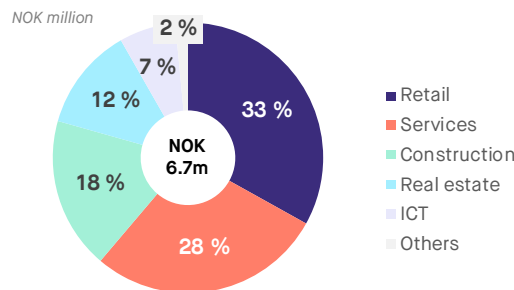
90 customer accounts opened in two weeks



Customer accounts



Outstanding amount by industry



Key comments

- 90 customer accounts opened from 16 Dec to year-end
- NOK 74k outstanding amount per account at EOP
- On average NOK 156 drawn by customers with draw-down

Average outstanding amount per account



Average drawdown (per account with draw-down)



12 Feb 20

Customer accounts (#)

166

Outstanding amount per account (NOK)

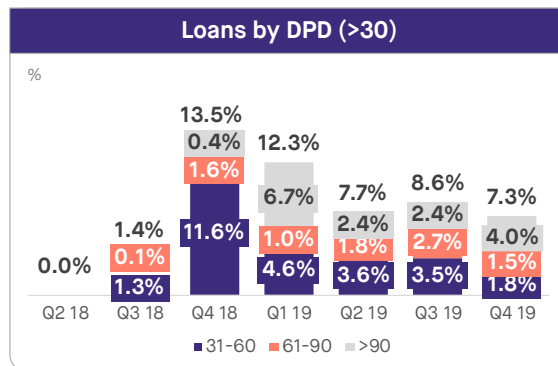
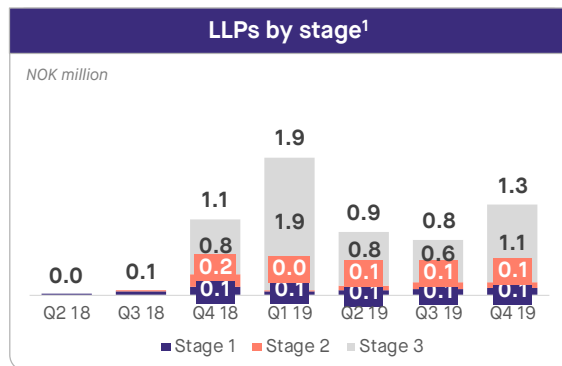
117,000

Average drawdown (NOK)

188,000

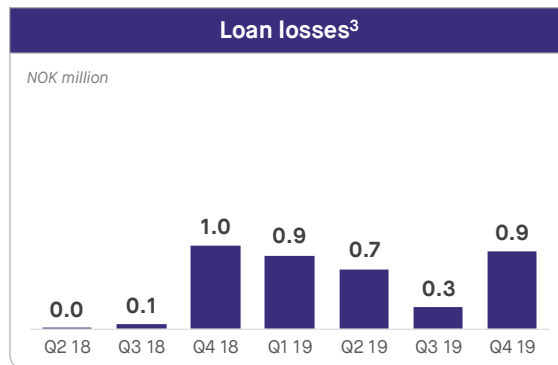
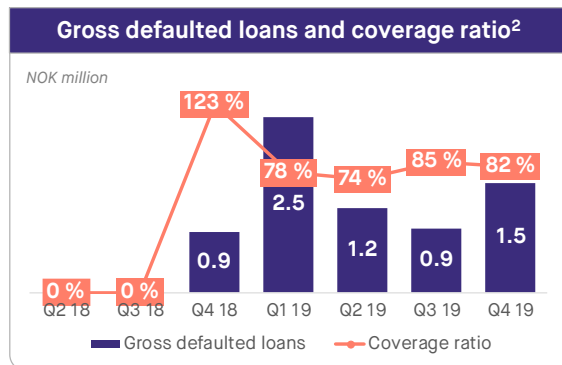
Loan losses and provisions

Loan impairments and losses of NOK 2.8m in 2019 (0.75% of purchased amount)



Key comments

- LLPs of NOK 1.3m / 3.0% of gross loans at 31 Dec 2019
- DPD >30: 7.3% of gross loans
- Gross defaulted loans of NOK 1.5m
 - Coverage ratio² of 82%
- Total loan losses of NOK 0.9m in Q4



- As of 31 Dec 2019, Aprila had purchased **16,186 invoices** with a total nominal value of NOK 511m
- Total recognised losses LTD amounted to NOK 2.6m (0.51% of purchased amount) and relates to **36 claims** (0.22% 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.

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Products

Three initial products to unlock the market for SME credit



Spot factoring (from Q2 18)

Invoicing

Invoice will be sent to andreas@aprila.no

Next invoice number
4

Invoice date

2019-12-11

Create on account invoice

Payment type

To be paid on due date

Sell invoice

Invoice amount: 50,000.00 NOK
Cost (deducted from the invoice amount): 1,383.00 NOK
Your company will receive: 48,617.00 NOK
The amount will be transferred during the next business day.
See [information about prices and reasons for rejection](#).

CANCEL INVOICING

Credit line (from ultimo Q4 19)



Free access
Pay only for what you use

NOK 50,000 NOK 350,000 NOK 500,000

Selected credit line: NOK 350,000
Monthly cost of use: 1.49 %

APPLY FOR CREDIT LINE

Pay with Aprila (from Q3 20)

CART

2 items

iPhone 11 Pro

MacBook Pro 16-inch

Total

NOK 16,190

NOK 69,790

NOK 85,980

PAY AS A PERSON

Apple Pay

Google Pay

PayPal

VISA

Mastercard

Momo

PAY AS A COMPANY

WIRE TRANSFER

Aprila Pay

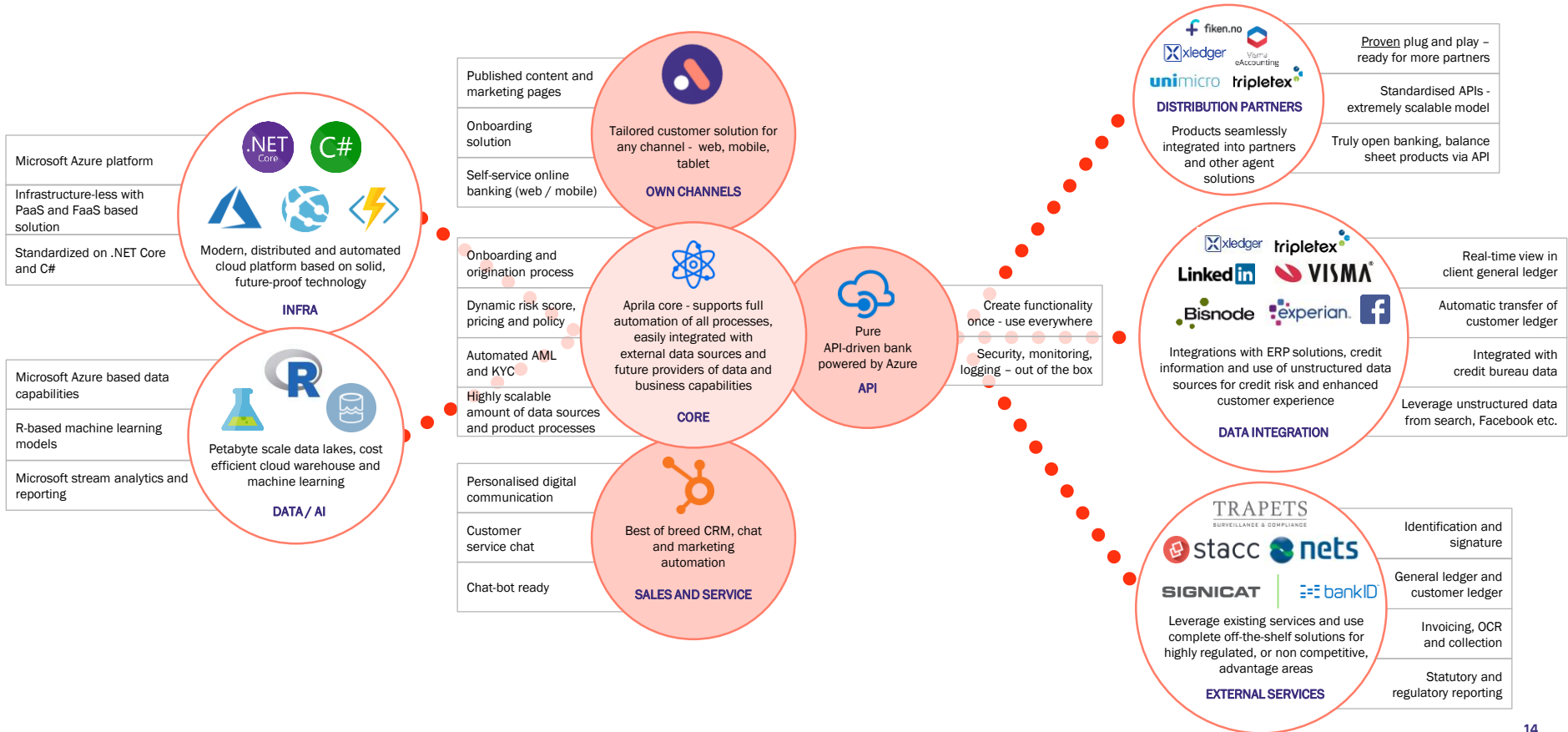
- Spot sale of invoices inside online accounting systems, with immediate settlement and automatic bookkeeping
- In Tripletex from Q2 18, NOK ~550m purchased LTD
- Product/market fit achieved; 98% of customers would be «disappointed» if feature removed, of which >50% «very disappointed»
- Average margin Q4 19: 2.96%, implying >40% EIR¹
- Leveraging latest generation machine-learning to continuously optimise pricing, risk management and take-up rates

- Credit line up to NOK 500k
- In Tripletex and own channels from late Q4 19
- Backed by personal guarantee²
- No access or limit fee, no lock-in period
- Monthly interest rate: 1-2%
- Our first product to be distributed through own channels, but will also be available inside partner ERP systems

- Ecommerce payment solution, B2B
- Online merchant gets paid instantly upon check-out, the customer receives an invoice from Aprila
- Basket size up to NOK 500k
- Instant credit approval
- Up to 90 days deferral
- MVP currently up and running in cooperation with Arctic Securities (purchase of LEI numbers)

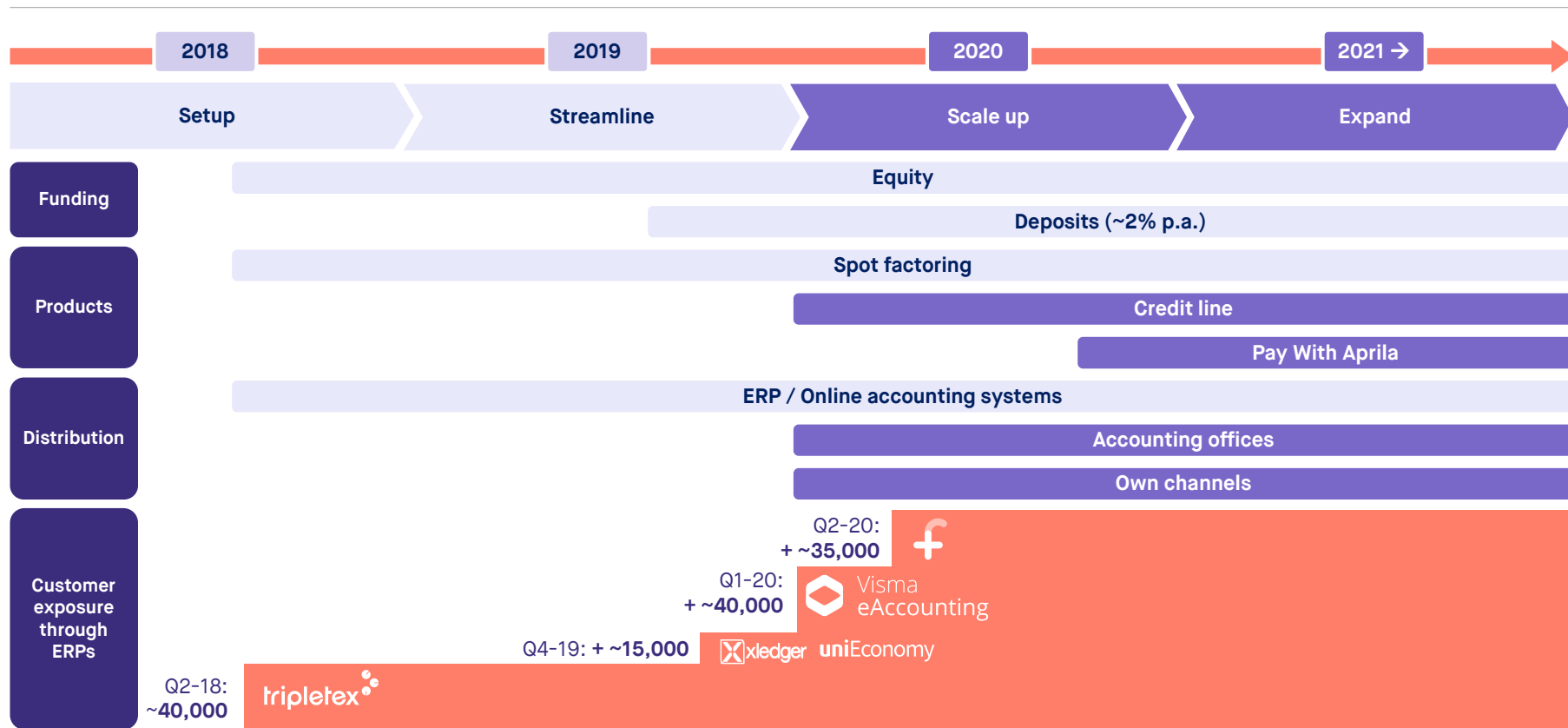
The Aprila technology platform is key

Leveraging cloud native technologies for advanced and highly scalable architecture



Timeline

Expanding from one product in one distribution channel to three products and six channels¹



Note 1: Five ERP systems + aprila.no/kassekredit.no

Financial outlook (1 / 2)

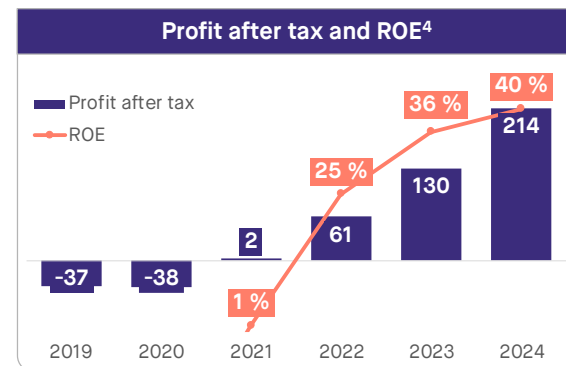
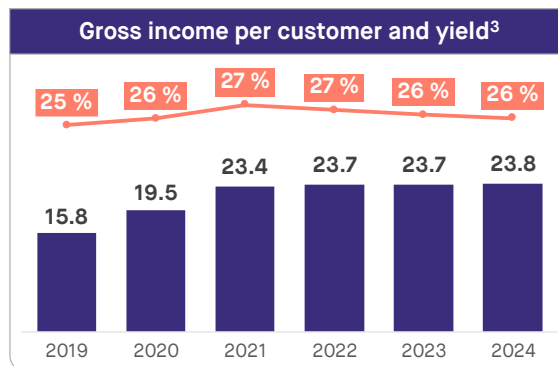
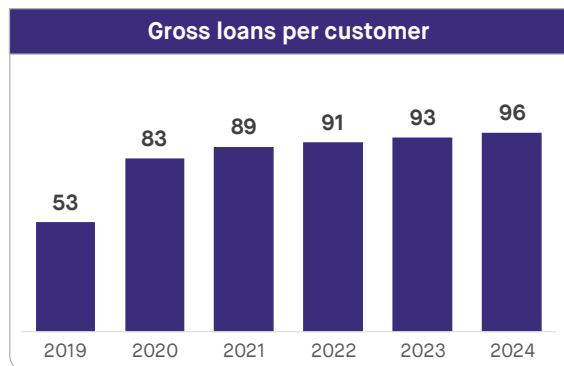
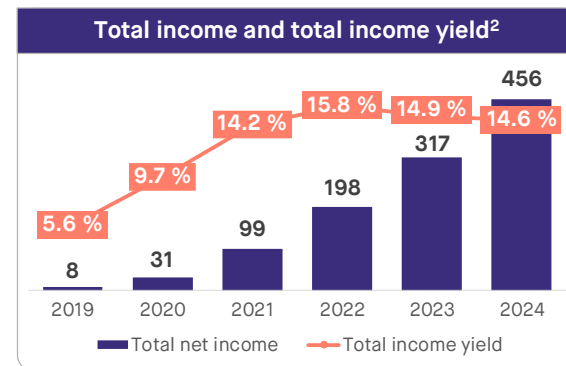
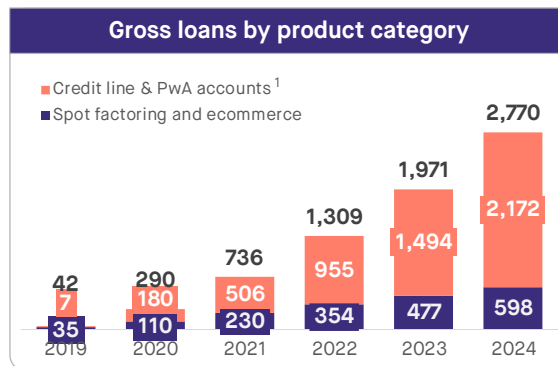
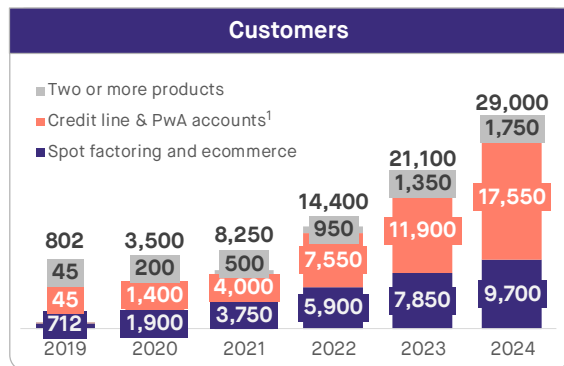
Annual run-rate of NOK 75m in gross income at year-end 2020 and break-even in Q2-21



| | YE 2019 | 12 Feb 20 | YE 2020E | Drivers |
|---|--|---|---|---|
| # of customers End of period | 802 2% of customer exposure ¹ | 901 ~2% of customer exposure ¹ | 3,500 ~2% of customer exposure ² | <ul style="list-style-type: none">• New partners• New products• Relationship-based and in-house sales • New pricing model for spot factoring• Increased conversion rate• Product mix |
| Gross income per customer Annual run-rate ³ (NOK) | 17,748 | 19,400 | ~22,000 | |
| Annual gross income Run-rate (NOKm) | 14.2 | 17.5 | ~75 | |

Financial outlook (2 / 2)

Extremely scalable business model. The expected growth requires additional equity in 2020 to cover CET1-req.



Note 1: PwA = Pay with April. || Note 2: Total income yield = Total 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.

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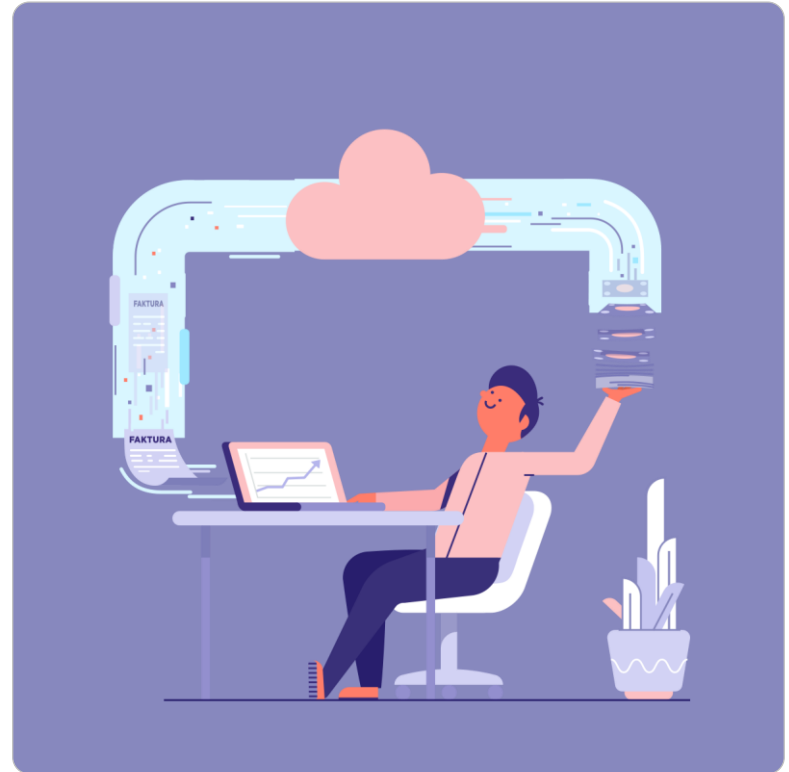
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Income statement & general administrative expenses

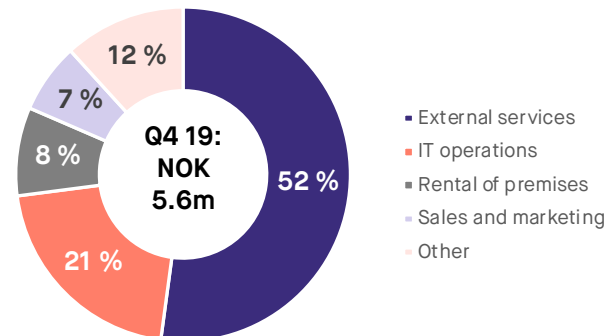


Income Statement

| Amounts in NOK thousand | Q4 2019 | Q4 2018 | 2019 | 2018 |
|--|----------------|---------------|----------------|----------------|
| Interest income | 3,496 | 2,673 | 10,465 | 3,668 |
| Interest expense | 492 | 52 | 562 | 158 |
| Net interest income | 3,004 | 2,621 | 9,902 | 3,510 |
| Income commissions and fees | 111 | 104 | 378 | 133 |
| Expenses commissions and fees | 912 | 833 | 3,019 | 982 |
| Net commissions and fees | -801 | -730 | -2,642 | -848 |
| Net gains / losses (-) on certificates, bonds and currency | 123 | 13 | 323 | 112 |
| Other income | 0 | 0 | 0 | 6 |
| Total income | 2,327 | 1,905 | 7,583 | 2,779 |
| Salary and other personnel expenses | 6,596 | 5,237 | 24,322 | 17,604 |
| General administrative expenses | 5,591 | 2,493 | 14,828 | 9,338 |
| Total salary and administrative expenses | 12,187 | 7,730 | 39,150 | 26,942 |
| Ordinary depreciation | 693 | 337 | 2,227 | 1,085 |
| Total operating expenses excl. losses on loans | 12,880 | 8,067 | 41,377 | 28,027 |
| Losses on loans | 924 | 997 | 2,777 | 1,052 |
| Pre-tax operating profit | -11,478 | -7,159 | -36,570 | -26,299 |
| Tax | 0 | 0 | 0 | 0 |
| Profit after tax | -11,478 | -7,159 | -36,570 | -26,299 |
| Earnings per share (NOK) | -0.32 | -0.20 | -1.01 | -0.73 |
| Diluted earnings per share (NOK) | -0.26 | -0.17 | -0.83 | -0.61 |

General administrative expenses

| Amounts in NOK thousand | Q4 2019 | Q4 2018 | 2019 | 2018 |
|--|--------------|--------------|---------------|--------------|
| External services | 2,915 | 838 | 6,488 | 3,632 |
| IT operations | 1,164 | 725 | 3,959 | 2,635 |
| Rental of premises | 478 | 240 | 1,277 | 961 |
| Sales and marketing | 377 | 117 | 702 | 769 |
| Credit information | 107 | 156 | 411 | 333 |
| External audit and related services | 0 | 0 | 188 | 28 |
| Credit insurance | 89 | 73 | 288 | 111 |
| Other operating expenses | 461 | 345 | 1,515 | 869 |
| Total general administrative expenses | 5,591 | 2,493 | 14,828 | 9,338 |



Balance sheet & regulatory capital



| Balance Sheet | | |
|---|----------------|----------------|
| <i>Amounts in NOK thousand</i> | 31.12.2019 | 31.12.2018 |
| Loans and deposits with credit institutions | 60,593 | 54,639 |
| Net loans to customers | 40,885 | 39,619 |
| Certificates and bonds | 45,470 | 30,112 |
| Other intangible assets | 12,700 | 5,838 |
| Deferred tax assets | 0 | 0 |
| Fixed assets | 5,868 | 1,064 |
| Other receivables | 4,522 | 2,226 |
| Total assets | 170,038 | 133,500 |
| Deposits from and debt to customers | 62,194 | 0 |
| Other debt | 15,642 | 5,999 |
| Total liabilities | 77,836 | 5,999 |
| Share capital | 36,220 | 36,220 |
| Share premium | 127,036 | 127,036 |
| Unregistered share capital | 37 | 0 |
| Other paid-in equity | 1,680 | 446 |
| Retained earnings | -72,771 | -36,201 |
| Total equity | 92,202 | 127,501 |
| Total equity and liabilities | 170,038 | 133,500 |

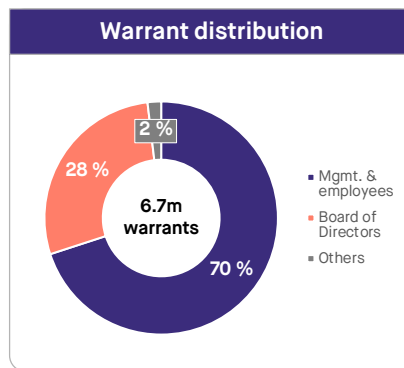
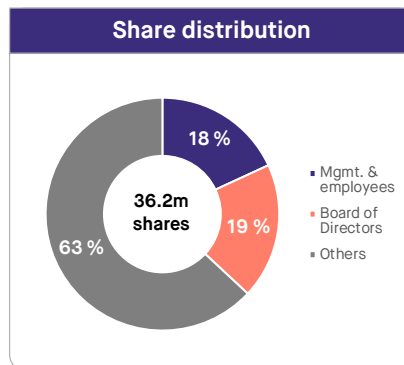
| Regulatory capital | | | |
|---|---------------|-----------------------|-----------------------|
| <i>Amounts in NOK thousand</i> | | Reported ¹ | Adjusted ² |
| | 31.12.2019 | 31.12.2018 | 31.12.2018 |
| Share capital | 36,220 | 36,220 | 36,220 |
| Share premium | 127,036 | 127,036 | 127,036 |
| Other equity | -71,054 | -35,755 | -35,755 |
| Total equity | 92,202 | 127,501 | 127,501 |
| Other intangible assets | -12,700 | -5,838 | -5,838 |
| AVA adjustment | -45 | 0 | 0 |
| Deferred tax assets | 0 | 0 | 0 |
| Common equity tier 1 (CET 1) | 79,456 | 121,663 | 121,663 |
| Tier 1 capital | 79,456 | 121,663 | 121,663 |
| Total capital | 79,456 | 121,663 | 121,663 |
| Risk-weighted assets | | | |
| Loans and deposits with credit institutions | 12,119 | 10,928 | 10,928 |
| Loans to customers | 32,219 | 37,500 | 30,825 |
| Certificates and bonds | 1,502 | 0 | 0 |
| Other assets | 10,390 | 3,291 | 3,291 |
| Credit risk | 56,230 | 51,719 | 45,044 |
| Operational risk | 9,669 | 16,067 | 16,067 |
| Risk-weighted assets | 65,899 | 67,785 | 61,111 |
| Common equity tier 1 ratio (%) | 120.6 % | 179.5 % | 199.1 % |
| Tier 1 ratio (%) | 120.6 % | 179.5 % | 199.1 % |
| Total capital ratio (%) | 120.6 % | 179.5 % | 199.1 % |
| Leverage ratio (%) | 50.0 % | 95.3 % | 95.3 % |
| LCR | 2162 % | 217 % | 217 % |

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 | 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 | FJ LABS | | | 1,099,400 | 3.0 % | |
| 7 | NORUS AS | | | 1,010,000 | 2.8 % | |
| 8 | REDIVIVUS AS | | | 950,000 | 2.6 % | |
| 9 | SIX SIS AG | | | 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 | AREPO AS | | | 658,102 | 1.8 % | |
| 17 | SVINDAL AKSEL LUND | | | 650,000 | 1.8 % | |
| 18 | INCHOATE AS | Heiki Strengelsrud | Chief Customer Officer | 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 | Katrine Olsen | Chief Risk Officer | 500,000 | 1.4 % | 375,000 |
| 25 | OSMANI VENTURE CAPITAL AS | | | 478,221 | 1.3 % | |
| 26 | STRIGEN AS | | | 454,367 | 1.3 % | |
| 27 | KLØVNINGEN AS | | | 400,000 | 1.1 % | |
| 28 | ASTEROIDEBAKKEN AS | | | 319,079 | 0.9 % | |
| 29 | ACIER AS | | | 302,470 | 0.8 % | |
| 30 | KØLLE INVEST AS | | | 279,309 | 0.8 % | |
| | Others | | | 8,929,143 | 24.6 % | 312,500 |
| Total | | | | 36,257,140 | 100.0 % | 6,662,500 |

Note 1: As registered in VPS 10 February 2020.

