



Aprila Bank ASA | Q1 2019 | 3 May 2019

# Disclaimer

## Forward-looking statements

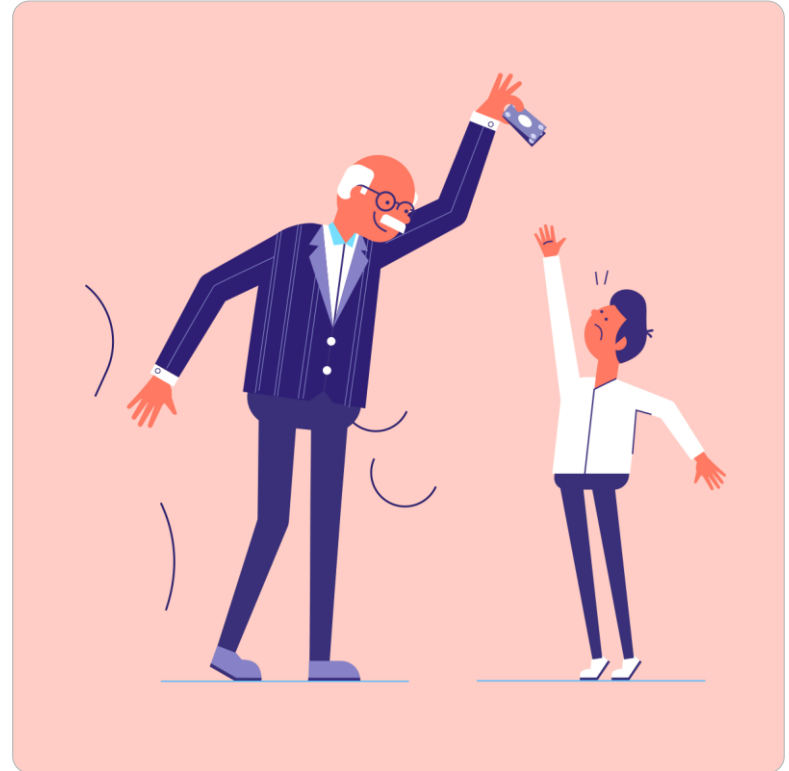


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*Although Aprila Bank believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct. Accordingly, results could differ materially from those set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

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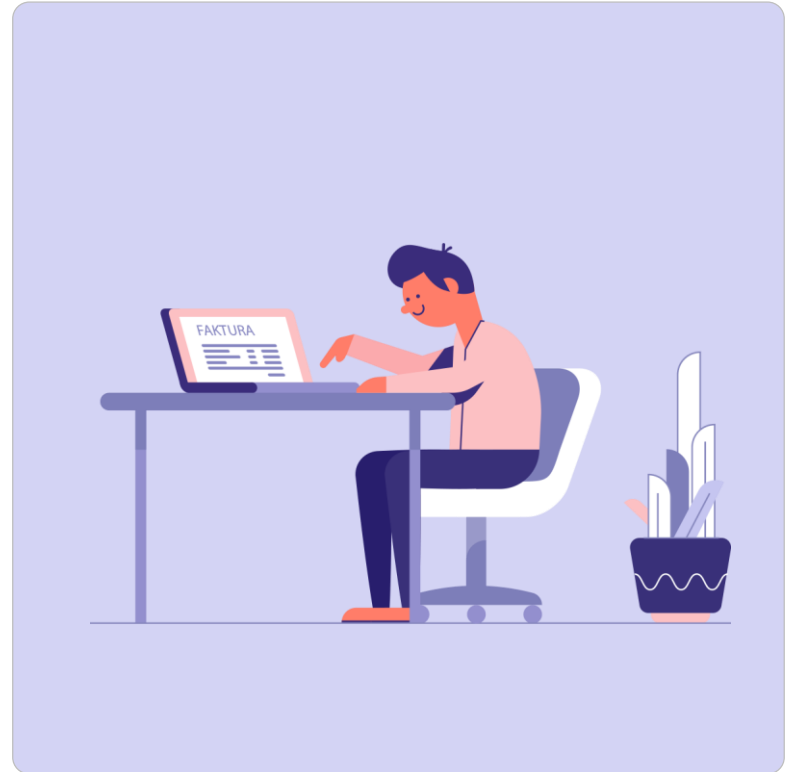
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# Highlights Q1 2019

Temporarily disturbed by factoring pledge – uniquely positioned to capitalise on accumulated insight



## Q1-19

NOKm	Q4-18	Q1-19
Purchased amount	100	81
Total income	1.9	1.6
Pre-tax operating profit	-7.2	-10.1
Yield on avg. net loans <sup>1</sup>	34 %	24 %

## Q2-18 – Q1-19

First operational year

NOKm	Q2-18 – Q1-19
Purchased amount	219
Total income	4.3
Pre-tax operating profit	-30.9
Equity EOP <sup>2</sup>	118

### Our first operational year

- 560 customers onboarded of which 355 have sold invoices
- NOK ~220 million purchased
- ~7,000 invoices towards ~3,000 different end customers

### A quarter influenced by tightening of credit rules (factoring pledge)

- The new policy on factoring pledge implemented in Q4 has slowed down new onboardings
- In Q1, a number of customer accounts were put on hold, causing a 20% drop in volumes vs. Q4
- The policy is under review

### Positioned to capitalise on accumulated insight

- Expect to go live with Xledger and Uni Micro in Q2
- v.2 of technology platform and front-end system to be released simultaneously with the first new partner release
- New data warehouse operational within a few weeks; improves data structure and enables advanced utilisation of data

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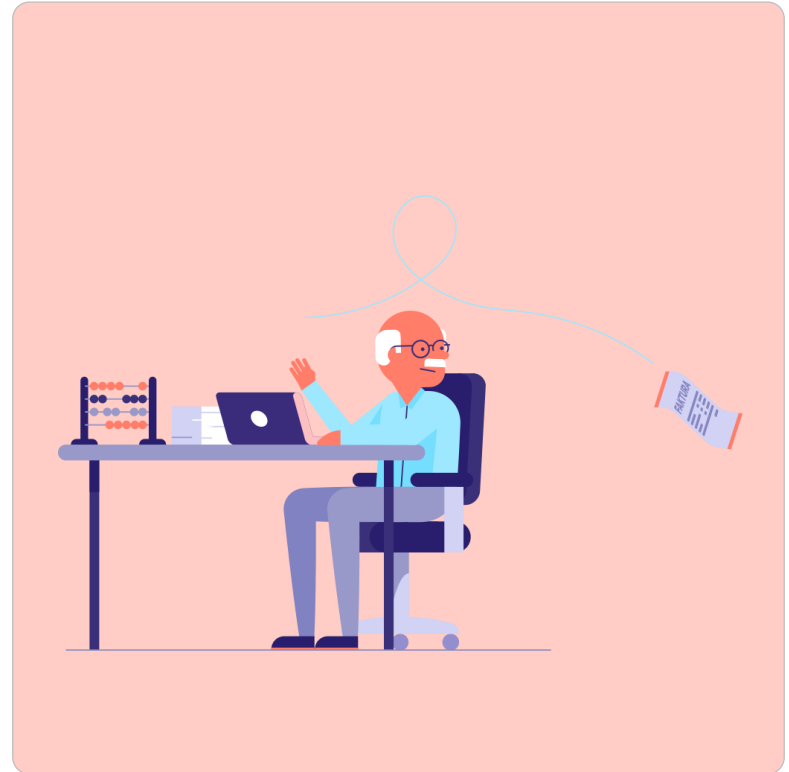
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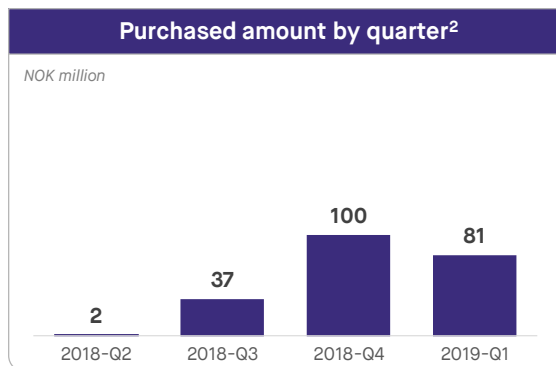
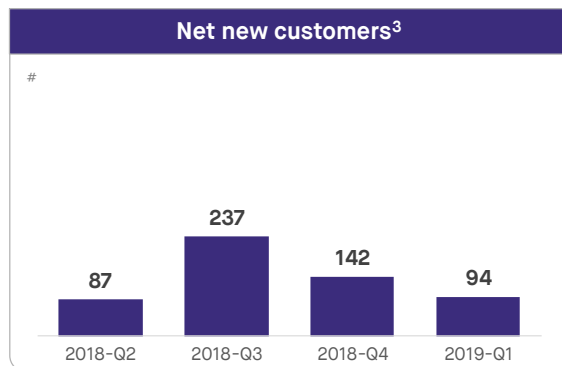
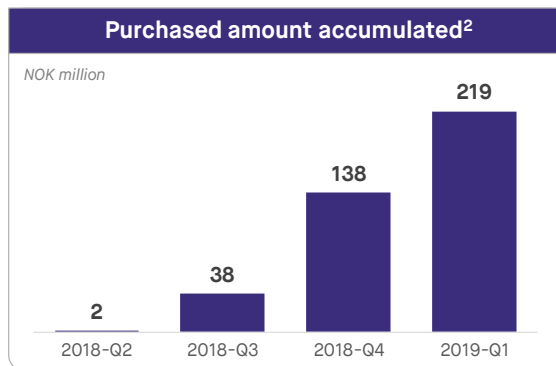
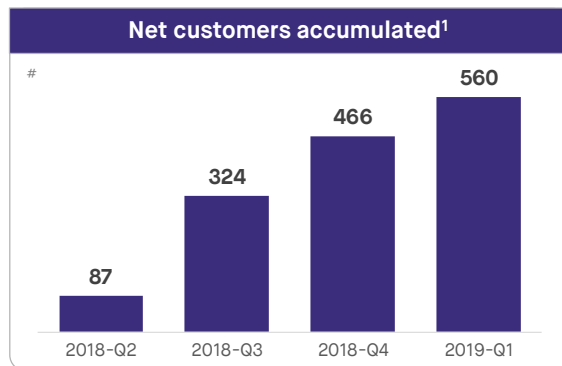
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# Key figures

560 customers and NOK 219m purchased at the end of the first operational year



## Key comments

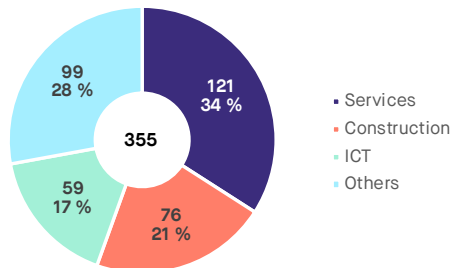
- 560 customers at EOP
  - Inflow of new customers was particularly high in Q3, primarily due to the implementation in Tripletex' project module 11 September
  - New policy related to factoring pledge has slowed down new onboardings the past two quarters
  - Measures to ease onboarding of new customers will be implemented in Q2
- NOK 219m purchased in the first year;
  - 6,959 invoices
  - 3,109 different end customers
  - Average invoice amount of NOK 31k
  - Several existing customer accounts<sup>3</sup> were put on hold and resulted in a 20% decline in purchased amount from Q4-18 to Q1-19

# Active customers

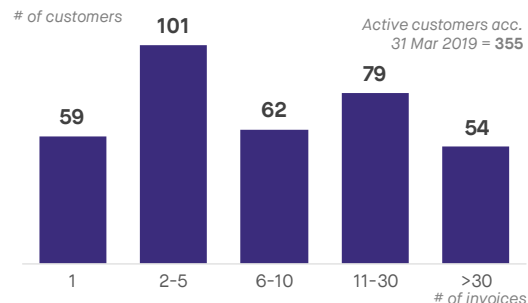
Customer accounts put on hold resulted in a decline in the ratio of active vs. total no. of customers



# of active customers by industry (31 Mar 2019 acc.)



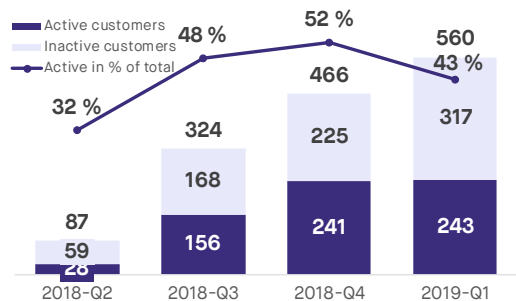
Active customers<sup>1</sup> by sold invoices (31 Mar 2019 acc.)



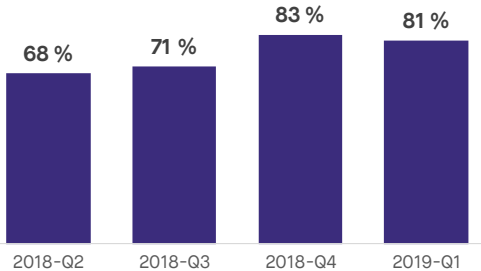
## Key comments

- 355 of 560 customers (63%) had sold invoices at EOP (defined as active customers)
- Services, construction and ICT constitute 72% of our 355 active customers and 76% of purchased volume
- Active customers in % of total net customers is declined from 52% in Q4-18 to 43% in Q1-19
- Recurring in % of active customers relatively stable

Active customers<sup>1</sup> vs. total net customers



Recurring customers<sup>2</sup> in % of active



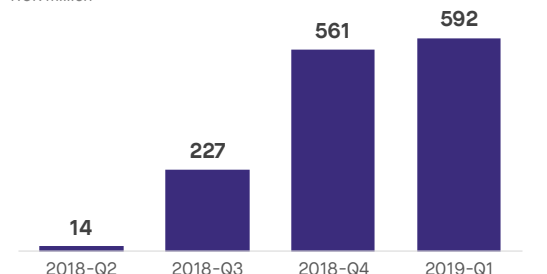
# Key invoice figures

## Status quo



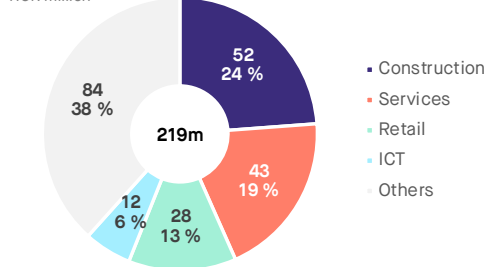
### Invoiced amount<sup>1</sup>

NOK million



### Purchased amt by end customer sector (31 Mar 19 acc)

NOK million

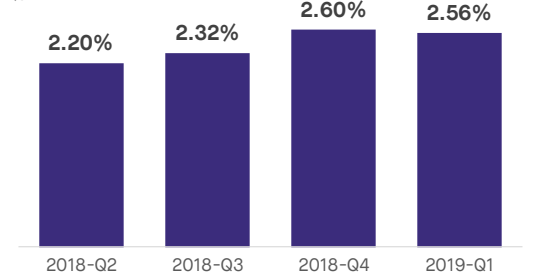


### Key comments

- Accumulated available invoiced volume<sup>1</sup> in 2018 amounted to **NOK ~1.4bn**
- With an accumulated purchased amount of NOK 219 million, the accumulated conversion rate<sup>4</sup> (in NOK) was **15.7%** at EOP (13.6% in Q1-19)
- VWA margin in Q1-19: **2.56%**
- VWA granted days in Q1-19: **23.7**

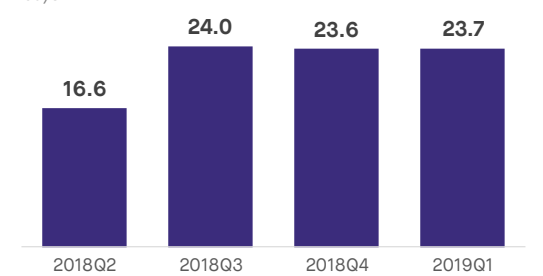
### Margin<sup>2</sup> (volume weighted average)

%



### Granted days<sup>3</sup> (volume weighted average)

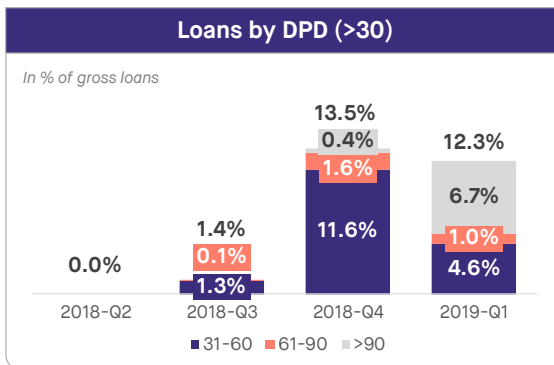
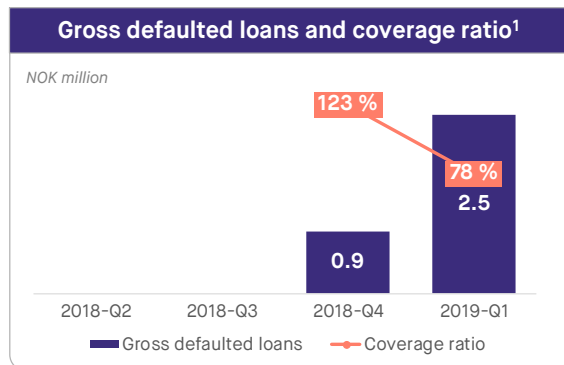
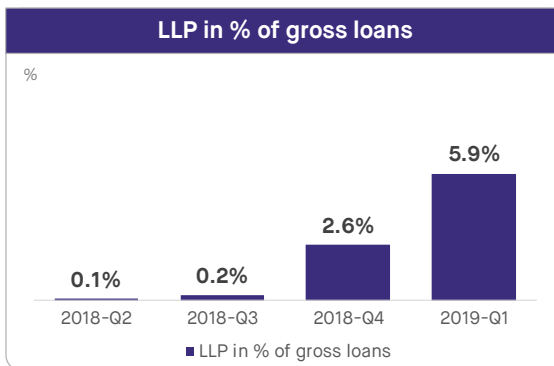
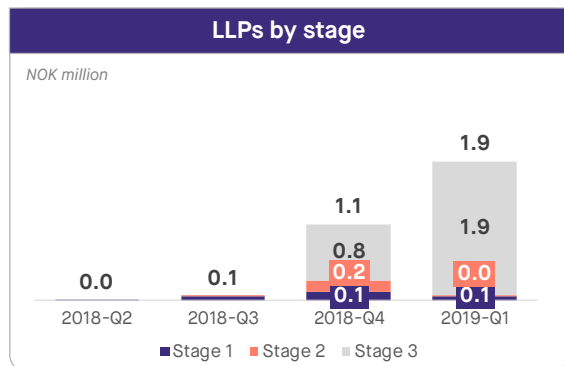
# days





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

LLPs of NOK 1.9m



## Key comments

- LLPs of **NOK 1.9m** / **5.9%** of gross loans at 31 Mar 2019
  - NOK 0.7m relates to the event in Q4-18
  - The remaining NOK 1.2m in line with expectations
- LLPs in % of accumulated purchased amount: **0.88%**
- Gross defaulted loans of **NOK 2.5m**
  - Coverage ratio<sup>2</sup> of 78%
- DPD >30: **12.3%** 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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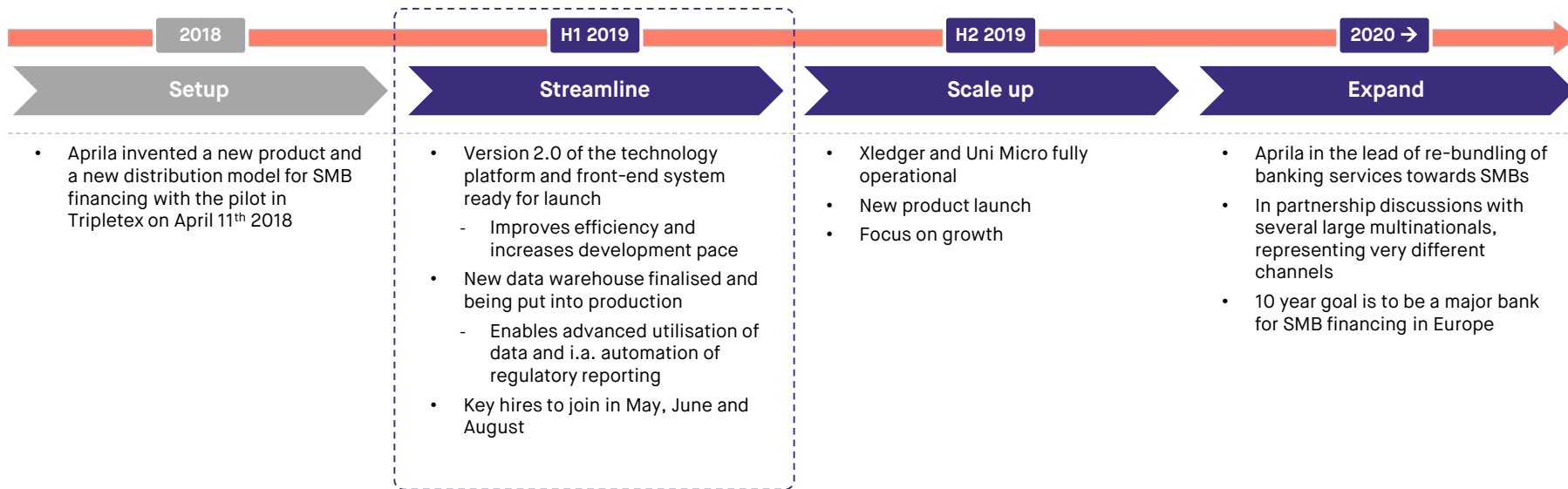
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# Outlook

Uniquely positioned to capitalise on accumulated insight and knowhow



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# Income statement & general administrative expenses

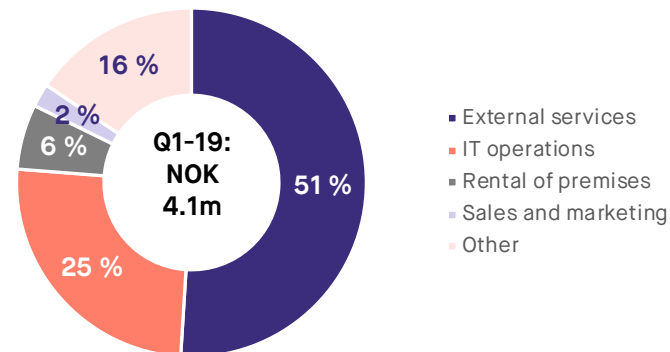


## Income Statement

<i>Amounts in NOK thousand</i>	Q1 2019	Q4 2018	2018
Interest income	2,129	2,673	3,668
Interest expense	18	52	158
<b>Net interest income</b>	<b>2,111</b>	<b>2,621</b>	<b>3,510</b>
Income commissions and fees	81	104	133
Expenses commissions and fees	636	833	982
<b>Net commissions and fees</b>	<b>-555</b>	<b>-730</b>	<b>-848</b>
Net gains / losses (-) on certificates, bonds and currency	26	13	112
Other income	0	0	6
<b>Total income</b>	<b>1,582</b>	<b>1,905</b>	<b>2,779</b>
Salary and other personnel expenses	6,292	5,237	17,604
General administrative expenses	4,066	2,493	9,338
<b>Total salary and administrative expenses</b>	<b>10,357</b>	<b>7,730</b>	<b>26,942</b>
Ordinary depreciation	469	337	1,085
<b>Total operating expenses excl. losses on loans</b>	<b>10,827</b>	<b>8,067</b>	<b>28,027</b>
Losses on loans	889	997	1,052
<b>Pre-tax operating profit</b>	<b>-10,134</b>	<b>-7,159</b>	<b>-26,299</b>
Tax expenses	0	0	0
<b>Profit after tax</b>	<b>-10,134</b>	<b>-7,159</b>	<b>-26,299</b>
Earnings per share (NOK)	-0.28	-0.20	-0.73
Diluted earnings per share (NOK)	-0.24	-0.17	-0.61

## General administrative expenses

<i>Amounts in NOK thousand</i>	Q1 2019	Q4 2018	2018
External services	2,073	838	3,632
IT operations	1,026	725	2,635
Rental of premises	245	240	961
Sales and marketing	88	117	769
Credit information	67	156	333
External audit and related services	188	0	28
Credit insurance	39	73	111
Other operating expenses	339	345	869
<b>Total general administrative expenses</b>	<b>4,066</b>	<b>2,493</b>	<b>9,338</b>



# Balance sheet & regulatory capital



## Balance Sheet

<i>Amounts in NOK thousand</i>	31.03.2019	31.12.2018	30.09.2018	30.06.2018
Loans and deposits with credit institutions	55,807	54,639	75,978	103,858
Net loans to customers	30,848	39,619	23,368	986
Certificates and bonds	30,137	30,112	30,099	30,003
Other intangible assets	5,491	5,838	6,521	6,487
Deferred tax assets	0	0	0	0
Fixed assets	2,933	1,064	1,086	1,141
Other receivables	2,238	2,226	1,537	1,789
<b>Total assets</b>	<b>127,454</b>	<b>133,500</b>	<b>138,590</b>	<b>144,264</b>
Deposits from and debt to customers	0	0	0	0
Other debt	9,781	5,999	4,174	2,710
<b>Total liabilities</b>	<b>9,781</b>	<b>5,999</b>	<b>4,174</b>	<b>2,710</b>
Share capital	36,220	36,220	36,183	36,183
Share premium	127,036	127,036	127,036	127,036
Other paid-in equity	752	446	239	43
Retained earnings	-46,334	-36,201	-29,042	-21,706
<b>Total equity</b>	<b>117,673</b>	<b>127,501</b>	<b>134,416</b>	<b>141,554</b>
<b>Total equity and liabilities</b>	<b>127,454</b>	<b>133,500</b>	<b>138,590</b>	<b>144,264</b>

## Regulatory capital

<i>Amounts in NOK thousand</i>	31.03.2019	31.12.2018	30.09.2018	30.06.2018
Share capital	36,220	36,220	36,183	36,183
Share premium	127,036	127,036	127,036	127,036
Other equity	-45,582	-35,755	-28,803	-21,664
<b>Total equity</b>	<b>117,673</b>	<b>127,501</b>	<b>134,416</b>	<b>141,554</b>
Other intangible assets	-5,491	-5,838	-6,521	-6,487
Deferred tax assets	0	0	0	0
<b>Common equity tier 1 (CET 1)</b>	<b>112,183</b>	<b>121,663</b>	<b>127,894</b>	<b>135,068</b>
<b>Tier 1 capital</b>	<b>112,183</b>	<b>121,663</b>	<b>127,894</b>	<b>135,068</b>
<b>Total capital</b>	<b>112,183</b>	<b>121,663</b>	<b>127,894</b>	<b>135,068</b>
<b>Risk-weighted assets</b>				
Loans and deposits with credit institutions	11,161	10,928	15,196	20,772
Loans to customers	28,835	37,500	23,368	986
Certificates and bonds	0	0	0	0
Other assets	5,172	3,291	2,623	2,931
<b>Credit risk</b>	<b>45,168</b>	<b>51,719</b>	<b>41,187</b>	<b>24,688</b>
Operational risk	16,067	16,067	16,067	16,067
<b>Risk-weighted assets</b>	<b>61,235</b>	<b>67,785</b>	<b>57,254</b>	<b>40,755</b>
<b>Capital ratios</b>				
Common equity tier 1 ratio (%)	183.2 %	179.5 %	223.4 %	331.4 %
Tier 1 ratio (%)	183.2 %	179.5 %	223.4 %	331.4 %
Total capital ratio (%)	183.2 %	179.5 %	223.4 %	331.4 %
LCR	223 %	217 %	198 %	1509 %

# Ownership & warrant structure<sup>1</sup>

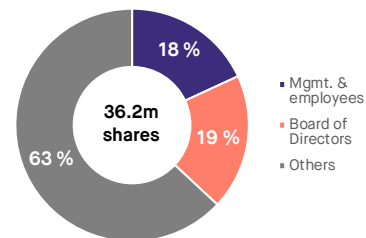
Aligned interests among key stakeholders



## 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 Executive 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 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 Officer	610,000	1.7 %	500,000
21 NORDIC PRIVATE EQUITY AS			607,000	1.7 %	
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 ASTEROIDBAKKEN AS			319,079	0.9 %	
30 JUUL-VADEM HOLDING AS			305,607	0.8 %	
Others			8,719,912	24.1 %	312,500
<b>Total</b>			<b>36,220,084</b>	<b>100.0 %</b>	<b>6,662,500</b>

## Share distribution



## Warrant distribution

