

Aprila

Q2 Interim report

April – June 2023

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Interim report

About Aprila Bank ASA

Aprila is a product- and technology company offering improved access to financing for businesses through innovative financial solutions. The bank commenced operations in April 2018 and offers two credit products to businesses: credit line and spot factoring.

Aprila's technology infrastructure employs machine learning models that predict outcomes and price risk automatically, using real-time data in addition to ordinary sources of credit information. This enables the bank to offer credit to businesses with a seamless customer experience.

The bank is owned by private and institutional investors in Norway and abroad. The largest shareholders are SES AS (19.9%), Amesto Group AS (14.8%), and Alliance Venture Spring AS (4.8%)¹.

Second quarter 2023

Highlights from the quarter are outlined below.

- Aprila delivered a pre-tax profit of NOK 7.8 million in the quarter.
- Total income amounted to NOK 37.4 million, an increase of 63% YoY and 10% QoQ.
- Gross loans at the end of the quarter amounted to NOK 811 million, an increase of 57% YoY and 8% QoQ.
- Gross lending to credit line accounts amounted to NOK 753 million at the end of the quarter, an increase of 66% YoY and 9% QoQ.
- At the end of the quarter, Aprila had 6,621 unique business customers, an increase of 21% YoY and 1% QoQ.
- At the end of the quarter, Aprila had 7,271 open customer accounts distributed on Aprila's three lending platforms: credit line (4,380 accounts), spot factoring² (2,875 accounts), and home rental³ (16 accounts).

Financial figures

All figures are prepared and presented in accordance with IFRS. Comparable figures from Q2 2022 are presented in brackets.

Interest income in the quarter amounted to NOK 40.7 million (NOK 22.6 million), net interest income to NOK 34.2 million (NOK 21.2 million) and total income was NOK 37.4 million (NOK 22.9 million).

Total operating expenses amounted to NOK 17.8 million (NOK 12.9 million) of which NOK 9.7 million (54%) in salary and personnel expenses, NOK 6.4 million (36%) in general administrative expenses and NOK 1.7 million (10%) in ordinary depreciation.

Losses on loans amounted to NOK 11.8 million (NOK 8.4 million). Pre-tax operating profit amounted to NOK 7.8 million (NOK 1.6 million).

Total assets at the end of the quarter amounted to NOK 997 million (NOK 787 million) of which NOK 728 million (NOK 479 million) were net loans to customers. Total equity amounted to NOK 198 million (NOK 166 million) and the CET1-ratio was 32.4% (41.3%). Total liquid assets amounted to NOK 252 million (NOK 93 million) of which NOK 125 million in bank deposits and NOK 127 million in certificates and bonds.

¹⁾ As registered in VPS 17 July 2023.

²⁾ Includes B2B ecommerce accounts (online merchants).

³⁾ Onboarding of new home rental customers ceased in H1 2021.

Outlook

Macroeconomic outlook

Norges Bank raised the key policy rate 75 bps in the quarter: from 3.00% to 3.25% in May and from 3.25% to 3.75% in June. Key factors behind the central bank's assessment in June were higher-than expected inflation, a substantial depreciation of the Norwegian currency and a continued increase in interest rates internationally.

In the policy meeting in June, the central bank announced another increase in August and an interest rate path that indicated that the key policy rate may reach 4.25% during the second half of 2023. On 10 July, Statistics Norway released the inflation figures for June, showing that Inflation (CPI) reached 6.4% year-on-year in June. Core inflation (CPI-ATE) reached 7.0%⁴, above Norges Bank's projections.

The 3.75 percentage point increase in the key policy rate from September 2021 to May 2023 has, as of the date of this report, resulted in an increase of Aprila's funding cost of around 3 percentage points⁵. In terms of interest income, Aprila is favourably positioned to manage expected future hikes in interest level as the bank's loan agreements provide a high degree of pricing flexibility. Moreover, since the bank offers high-yielding products, the relative effect of the expected increase in interest rates on the customers' borrowing cost is quite modest.

In the current macro-economic environment, we consider the key uncertainties for Aprila to be the effect of high inflation and the prevailing geopolitical uncertainty on our customers' credit appetite and quality. Aprila's access to day-to-day accounting data for the majority of its customers provides a unique insight into the customers' financial position and the bank will continue to closely monitor the financial health of its customers and continuously align its risk appetite with the customers' financial performance.

Key priorities

During the second half of 2023 Aprila will continue to focus on the following three key priorities:

Strengthen competitive advantage

We believe that unmatched operational scalability combined with high quality of processes and output is key to create sustainable competitive advantage in Aprila's market. During the second half of 2023, Aprila will continue to focus on implementing a set of carefully selected and prioritised initiatives that will increase the level of automation and quality, and thus strengthen Aprila's competitive advantage.

Continue the strong growth

Aprila.no is the main source for attracting new customers. During the second half of 2023, Aprila will continue to enhance customer acquisition through own channels and select partner channels in order to maintain a high growth trajectory and continue to increase the ratio of customer lifetime value to customer acquisition cost.

Improve profitability

Aprila reached underlying overall profitability in the second quarter 2023; an important milestone for the bank. The accomplishment reflects the bank's operational efficiency and the scalability of its business model. Looking ahead, the bank remains committed to improving its underlying profitability and expects to deliver a robust net income in 2023.

Other information

The accounting surplus for the second quarter 2023 has in its entirety been added to retained earnings. The interim report has not been audited by the company's external auditor, and hence, the retained earnings year-to-date as of 30 June 2023 is deducted from common equity tier 1, cf. CRR Article 26.

Oslo, 14 August 2023

Board of Directors
Aprila Bank ASA

⁴) CPI = KPI Totalindeks, CPI-ATE = KPI-JAE Totalindeks. Source: ssb.no.

⁵) From 1.0 percent in September 2021 to 4.03 percent from 13 July 2023.

Condensed consolidated interim statement of comprehensive income

| Amounts in NOK thousand | Note | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | 2022 |
|--|------|---------------|---------------|---------------|---------------|---------------|
| Interest income | | 40,674 | 22,579 | 76,308 | 40,524 | 96,166 |
| Interest expense | | 6,489 | 1,343 | 11,323 | 2,425 | 8,642 |
| Net interest income | | 34,184 | 21,236 | 64,985 | 38,099 | 87,524 |
| Income commissions and fees | | 3,197 | 1,746 | 6,168 | 2,979 | 8,154 |
| Expenses commissions and fees | | 243 | 154 | 403 | 314 | 626 |
| Net commissions and fees | | 2,953 | 1,591 | 5,765 | 2,666 | 7,528 |
| Net gains / losses (-) on certificates, bonds and currency | | 249 | 39 | 500 | -2 | 597 |
| Other income | | 0 | 0 | 0 | 0 | 0 |
| Total income | | 37,386 | 22,866 | 71,249 | 40,762 | 95,649 |
| Salary and other personnel expenses | | 9,674 | 5,442 | 22,247 | 14,096 | 33,531 |
| General administrative expenses | 8 | 6,362 | 5,447 | 17,747 | 12,795 | 27,366 |
| Total salary and administrative expenses | | 16,036 | 10,889 | 39,994 | 26,891 | 60,898 |
| Ordinary depreciation | | 1,719 | 1,986 | 3,762 | 3,972 | 8,234 |
| Total operating expenses excl. losses on loans | | 17,755 | 12,875 | 43,757 | 30,863 | 69,132 |
| Losses on loans | 2, 3 | 11,796 | 8,352 | 21,698 | 13,558 | 35,083 |
| Pre-tax operating profit | | 7,835 | 1,639 | 5,794 | -3,659 | -8,565 |
| Tax | 9 | 0 | 0 | 0 | 0 | 0 |
| Profit after tax | | 7,835 | 1,639 | 5,794 | -3,659 | -8,565 |
| Earnings per share (NOK) | | 0.12 | 0.03 | 0.09 | -0.07 | -0.15 |
| Diluted earnings per share (NOK) | | 0.12 | 0.03 | 0.09 | -0.07 | -0.15 |

COMPREHENSIVE INCOME

| Amounts in NOK thousand | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | 2022 |
|--|--------------|--------------|--------------|---------------|---------------|
| Comprehensive income for the period | 7,835 | 1,639 | 5,794 | -3,659 | -8,565 |

Condensed statement of financial position

| Amounts in NOK thousand | Note | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|-------------------------|----------------|----------------|----------------|
| Loans and deposits with credit institutions | 5, 6 | 125,275 | 65,111 | 36,903 |
| Net loans to customers | 2, 3, 6 | 727,902 | 612,478 | 478,665 |
| Certificates and bonds | 6 | 127,167 | 66,664 | 56,058 |
| Other intangible assets | | 7,966 | 9,263 | 11,530 |
| Deferred tax assets | 9 | 0 | 0 | 0 |
| Fixed assets | | 2,712 | 3,676 | 4,390 |
| Other receivables | 7 | 5,983 | 29,482 | 37,638 |
| Total assets | | 997,004 | 786,673 | 625,183 |
| Deposits from and debt to customers | | 784,708 | 577,249 | 439,646 |
| Other debt | 7 | 14,251 | 17,313 | 19,865 |
| Total liabilities | | 798,960 | 594,562 | 459,512 |
| Share capital | 4 | 65,819 | 61,812 | 55,261 |
| Share premium | 4 | 291,636 | 265,671 | 236,191 |
| Unregistered Share capital | 4 | 0 | 29,971 | 35,000 |
| Other paid-in equity | 4 | 3,376 | 3,237 | 2,893 |
| Retained earnings | 4 | -162,786 | -168,581 | -163,674 |
| Total equity | | 198,044 | 192,111 | 165,672 |
| Total equity and liabilities | | 997,004 | 786,673 | 625,183 |

Condensed statement of the cash flow position

| Amounts in NOK thousand | Note | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | 2022 |
|---|-------------------|----------------|----------------|----------------|----------------|----------------|
| Pre-tax operating profit | | 7,835 | 1,639 | 5,794 | -3,659 | -8,565 |
| Taxes | 9 | 0 | 0 | 0 | 0 | 0 |
| Ordinary depreciation | | 1,719 | 1,986 | 3,762 | 3,972 | 8,234 |
| Change in loans | 3 | -48,849 | -70,317 | -115,424 | -140,015 | -273,827 |
| Change in deposits from customers | | 158,072 | 36,668 | 207,459 | 101,644 | 239,247 |
| Change in securities | 6 | -60,248 | -40 | -60,503 | -19,998 | -30,604 |
| Change in accruals | | -6,520 | -35,990 | 21,375 | -31,551 | -24,971 |
| Net cash flow from operating activities | | 52,008 | -66,055 | 62,464 | -89,606 | -90,487 |
| Net investments in fixed assets | | 0 | 0 | -89 | 0 | -471 |
| Net investments in intangible assets | | -654 | -361 | -1,413 | -486 | -1,392 |
| Net cash flow from investing activities | | -654 | -361 | -1,501 | -486 | -1,863 |
| Paid-in equity | 4 | 30 | 60,558 | 139 | 60,719 | 92,065 |
| Repayment of leasing liabilities | | -469 | -440 | -938 | -880 | -1,761 |
| Net cash flow from financing activities | | -439 | 60,118 | -799 | 59,838 | 90,304 |
| Net cash flow for the period | | 50,916 | -6,298 | 60,163 | -30,254 | -2,046 |
| Cash and cash equivalents at the start of the period | 5 | 74,359 | 43,201 | 65,111 | 67,157 | 67,157 |
| Cash and cash equivalents at the end of the period | 5 | 125,275 | 36,903 | 125,275 | 36,903 | 65,111 |

Condensed statement of changes in equity

| Amounts in NOK thousand | Share capital | Share premium | Unregistered Share capital | Other paid-in equity | Retained earnings | Total equity |
|--|---------------|----------------|----------------------------|----------------------|-------------------|----------------|
| Equity as of 31 December 2021 | 44,631 | 190,545 | 30,783 | 2,668 | -160,015 | 108,612 |
| Share capital increase | 10,630 | 45,646 | 4,217 | | | 60,493 |
| Changes in equity due to stock options program | | | | 225 | | 225 |
| Net profit for the period | | | | | -3,659 | -3,659 |
| Equity as of 30 June 2022 | 55,261 | 236,191 | 35,000 | 2,893 | -163,674 | 165,672 |

| Amounts in NOK thousand | Share capital | Share premium | Unregistered Share capital | Other paid-in equity | Retained earnings | Total equity |
|--|---------------|----------------|----------------------------|----------------------|-------------------|----------------|
| Equity as of 31 December 2022 | 61,812 | 265,671 | 29,971 | 3,237 | -168,581 | 192,111 |
| Share capital increase | 4,006 | 25,964 | -29,971 | | | 0 |
| Changes in equity due to stock options program | | | | 139 | | 139 |
| Net profit for the period | | | | | 5,794 | 5,794 |
| Equity as of 30 June 2023 | 65,819 | 291,636 | 0 | 3,376 | -162,786 | 198,044 |

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 2022.

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

The interim report was authorised for issue by the bank's board of directors on 14 August 2023.

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 Expected credit loss

According to IFRS 9, loan loss allowances should be recognised based on the expected credit loss (ECL). The general model for loan loss allowances on financial assets in IFRS 9 applies to financial assets that are measured at amortised cost or at fair value with changes in value through other comprehensive income (OCI), and that did not have any losses incurred on initial recognition.

Note 3 Loans to customers

LOANS TO CUSTOMERS

| Amounts in NOK thousand | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---------------------------------|----------------|----------------|----------------|
| Credit line | 752,575 | 610,040 | 454,362 |
| Non-recourse factoring | 57,302 | 61,912 | 61,205 |
| Other | 1,257 | 1,088 | 1,000 |
| Gross loans to customers | 811,135 | 673,040 | 516,568 |
| Loan loss allowance | 83,233 | 60,562 | 37,903 |
| Net loans to customers | 727,902 | 612,478 | 478,665 |

DEFAULTS AND LOSSES

| Amounts in NOK thousand | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|-------------------------------|---------------|---------------|---------------|
| Gross loans in stage 3 | 75,961 | 81,379 | 52,915 |
| Loan loss allowance stage 3 | 48,505 | 38,782 | 23,200 |
| Net loans in stage 3 | 27,456 | 42,597 | 29,715 |

LOAN LOSS PROVISIONS IN THE PERIOD

| Amounts in NOK thousand | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | 2022 |
|---|---------------|--------------|---------------|---------------|---------------|
| Loan loss provisions stage 1 | 882 | 1,622 | 1,572 | 1,984 | 4,108 |
| Loan loss provisions stage 2 | 5,249 | 1,542 | 11,376 | 1,080 | 6,034 |
| Loan loss provisions stage 3 | 4,497 | 4,593 | 6,630 | 9,275 | 22,234 |
| Total loan loss provisions in the period | 10,628 | 7,757 | 19,577 | 12,340 | 32,376 |
| Realised losses in the period | 1,168 | 595 | 2,121 | 1,218 | 2,706 |
| Losses on loans in the period | 11,796 | 8,352 | 21,698 | 13,558 | 35,083 |

AGEING OF LOANS, LOANS TO CUSTOMERS

| Amounts in NOK thousand | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|-------------------------|----------------|----------------|----------------|
| Loans not past due | 701,613 | 589,592 | 459,252 |
| Past due 1 - 30 days | 28,545 | 23,244 | 16,915 |
| Past due 31 - 60 days | 8,865 | 10,647 | 7,030 |
| Past due 61 - 90 days | 4,529 | 5,903 | 5,694 |
| Past due 91+ days | 67,584 | 43,654 | 27,679 |
| Total | 811,135 | 673,040 | 516,568 |

AGEING OF LOANS, CREDIT LINE

| Amounts in NOK thousand | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|-------------------------|----------------|----------------|----------------|
| Loans not past due | 669,357 | 557,953 | 421,070 |
| Past due 1 - 30 days | 20,481 | 10,581 | 7,994 |
| Past due 31 - 60 days | 6,697 | 7,855 | 3,408 |
| Past due 61 - 90 days | 3,573 | 4,012 | 4,169 |
| Past due 91+ days | 52,467 | 29,639 | 17,722 |
| Total | 752,575 | 610,040 | 454,362 |

AGEING OF LOANS, NON-RECOURSE FACTORING

| Amounts in NOK thousand | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|-------------------------|---------------|---------------|---------------|
| Loans not past due | 30,998 | 30,615 | 37,165 |
| Past due 1 - 30 days | 8,063 | 12,600 | 8,916 |
| Past due 31 - 60 days | 2,168 | 2,827 | 3,620 |
| Past due 61 - 90 days | 956 | 1,890 | 1,524 |
| Past due 91+ days | 15,118 | 13,981 | 9,981 |
| Total | 57,302 | 61,912 | 61,205 |

LOANS TO CUSTOMERS

| Amounts in NOK thousand | Stage 1 | Stage 2 | Stage 3 | Total |
|--|----------------|----------------|---------------|----------------|
| Gross carrying amount as of 31 March 2023 | 512,902 | 168,938 | 67,588 | 749,428 |
| Transfers from stage 1 to stage 2 | -66,964 | 66,964 | 0 | 0 |
| Transfers from stage 1 to stage 3 | -2,928 | 0 | 2,928 | 0 |
| Transfers from stage 2 to stage 1 | 23,616 | -23,616 | 0 | 0 |
| Transfers from stage 2 to stage 3 | 0 | -12,402 | 12,402 | 0 |
| Transfers from stage 3 to stage 1 | 414 | 0 | -414 | 0 |
| Transfers from stage 3 to stage 2 | 0 | 739 | -739 | 0 |
| New financial assets issued in the period | 143,542 | 29,814 | 769 | 174,126 |
| Financial assets derecognised in the period | -84,258 | -21,587 | -6,573 | -112,418 |
| Gross carrying amount as of 30 June 2023 | 526,323 | 208,851 | 75,961 | 811,135 |

LOAN LOSS ALLOWANCE

| Amounts in NOK thousand | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---------------|---------------|---------------|---------------|
| Loan loss allowance as of 31 March 2023 | 11,914 | 16,683 | 41,778 | 70,375 |
| Transfers from stage 1 to stage 2 | -1,944 | 1,944 | 0 | 0 |
| Transfers from stage 1 to stage 3 | -202 | 0 | 202 | 0 |
| Transfers from stage 2 to stage 1 | 882 | -882 | 0 | 0 |
| Transfers from stage 2 to stage 3 | 0 | -2,145 | 2,145 | 0 |
| Transfers from stage 3 to stage 1 | 57 | 0 | -57 | 0 |
| Transfers from stage 3 to stage 2 | 0 | 131 | -131 | 0 |
| New financial assets issued in the period | 1,909 | 1,628 | 63 | 3,600 |
| Increased expected credit loss | 2,545 | 8,098 | 10,328 | 20,971 |
| Decreased expected credit loss | -1,775 | -2,838 | -4,047 | -8,660 |
| Financial assets derecognised in the period | -590 | -686 | -1,776 | -3,052 |
| Loan loss allowance as of 30 June 2023 | 12,795 | 21,932 | 48,505 | 83,233 |

LOANS TO CUSTOMERS, CREDIT LINE

| Amounts in NOK thousand | Stage 1 | Stage 2 | Stage 3 | Total |
|--|----------------|----------------|---------------|----------------|
| Gross carrying amount as of 31 March 2023 | 473,696 | 162,513 | 53,264 | 689,473 |
| Transfers from stage 1 to stage 2 | -66,362 | 66,362 | 0 | 0 |
| Transfers from stage 1 to stage 3 | -2,351 | 0 | 2,351 | 0 |
| Transfers from stage 2 to stage 1 | 23,616 | -23,616 | 0 | 0 |
| Transfers from stage 2 to stage 3 | 0 | -9,960 | 9,960 | 0 |
| Transfers from stage 3 to stage 1 | 414 | 0 | -414 | 0 |
| Transfers from stage 3 to stage 2 | 0 | 739 | -739 | 0 |
| New financial assets issued in the period | 106,962 | 24,850 | 585 | 132,397 |
| Financial assets derecognised in the period | -47,380 | -17,603 | -4,311 | -69,295 |
| Gross carrying amount as of 30 June 2023 | 488,595 | 203,284 | 60,696 | 752,575 |

LOAN LOSS ALLOWANCE, CREDIT LINE

| Amounts in NOK thousand | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---------------|---------------|---------------|---------------|
| Loan loss allowance as of 31 March 2023 | 11,400 | 15,647 | 34,741 | 61,788 |
| Transfers from stage 1 to stage 2 | -1,938 | 1,938 | 0 | 0 |
| Transfers from stage 1 to stage 3 | -178 | 0 | 178 | 0 |
| Transfers from stage 2 to stage 1 | 882 | -882 | 0 | 0 |
| Transfers from stage 2 to stage 3 | 0 | -1,560 | 1,560 | 0 |
| Transfers from stage 3 to stage 1 | 57 | 0 | -57 | 0 |
| Transfers from stage 3 to stage 2 | 0 | 131 | -131 | 0 |
| New financial assets issued in the period | 1,652 | 1,022 | 52 | 2,726 |
| Increased expected credit loss | 2,537 | 7,913 | 9,271 | 19,721 |
| Decreased expected credit loss | -1,775 | -2,838 | -3,544 | -8,157 |
| Financial assets derecognised in the period | -122 | -234 | -717 | -1,073 |
| Loan loss allowance as of 30 June 2023 | 12,515 | 21,136 | 41,353 | 75,004 |

LOANS TO CUSTOMERS, NON-RECOURSE FACTORING

| Amounts in NOK thousand | Stage 1 | Stage 2 | Stage 3 | Total |
|--|---------------|--------------|---------------|---------------|
| Gross carrying amount as of 31 March 2023 | 37,990 | 6,425 | 14,324 | 58,739 |
| Transfers from stage 1 to stage 2 | -603 | 603 | 0 | 0 |
| Transfers from stage 1 to stage 3 | -577 | 0 | 577 | 0 |
| Transfers from stage 2 to stage 1 | 0 | 0 | 0 | 0 |
| Transfers from stage 2 to stage 3 | 0 | -2,442 | 2,442 | 0 |
| Transfers from stage 3 to stage 1 | 0 | 0 | 0 | 0 |
| Transfers from stage 3 to stage 2 | 0 | 0 | 0 | 0 |
| New financial assets issued in the period | 36,470 | 4,964 | 185 | 41,619 |
| Financial assets derecognised in the period | -36,810 | -3,984 | -2,262 | -43,056 |
| Gross carrying amount as of 30 June 2023 | 36,470 | 5,567 | 15,265 | 57,302 |

LOAN LOSS ALLOWANCE, NON-RECOURSE FACTORING

| Amounts in NOK thousand | Stage 1 | Stage 2 | Stage 3 | Total |
|--|------------|--------------|--------------|--------------|
| Loan loss allowance as of 31 March 2023 | 498 | 1,036 | 7,037 | 8,571 |
| Transfers from stage 1 to stage 2 | -6 | 6 | 0 | 0 |
| Transfers from stage 1 to stage 3 | -24 | 0 | 24 | 0 |
| Transfers from stage 2 to stage 1 | 0 | 0 | 0 | 0 |
| Transfers from stage 2 to stage 3 | 0 | -584 | 584 | 0 |
| Transfers from stage 3 to stage 1 | 0 | 0 | 0 | 0 |
| Transfers from stage 3 to stage 2 | 0 | 0 | 0 | 0 |
| New financial assets issued in the period | 257 | 606 | 11 | 874 |
| Increased expected credit loss | 0 | 184 | 1,058 | 1,242 |
| Decreased expected credit loss | 0 | 0 | -503 | -503 |
| Financial assets derecognised in the period | -468 | -452 | -1,059 | -1,979 |
| Loan loss allowance as of 30 June 2023 | 257 | 796 | 7,152 | 8,205 |

Note 4 Regulatory capital

| Amounts in NOK thousand | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|--|----------------|----------------|----------------|
| Share capital | 65,819 | 61,812 | 55,261 |
| Share premium | 291,636 | 265,671 | 236,191 |
| Other equity | -159,410 | -135,373 | -125,751 |
| Total equity | 198,044 | 192,111 | 165,701 |
| Part of interim or year-end profit not eligible | -5,794 | 0 | 0 |
| Additional value adjustments (AVA) | -127 | -67 | -56 |
| Other intangible assets | -7,966 | -9,263 | -11,530 |
| Deferred tax assets | 0 | 0 | 0 |
| Insufficient coverage for non-performing exposures | -130 | 0 | 0 |
| Common equity tier 1 (CET 1) | 184,027 | 182,781 | 154,115 |
| Tier 1 capital | 184,027 | 182,781 | 154,115 |
| Total capital | 184,027 | 182,781 | 154,115 |
| RISK-WEIGHTED ASSETS | | | |
| Regional governments or local authorities | 414 | 408 | 324 |
| Public sector entities | 189 | 333 | 182 |
| Institutions | 25,055 | 13,037 | 7,420 |
| Corporates | 13,249 | 13,404 | 14,130 |
| Retail | 382,673 | 309,219 | 234,468 |
| Exposures in default | 26,525 | 31,860 | 28,155 |
| Collective investments undertakings (CIU) | 5,585 | 2,491 | 0 |
| Other items | 7,364 | 31,518 | 42,384 |
| Credit risk | 461,053 | 402,270 | 327,063 |
| Position, foreign exchange and commodities risks | 6,384 | 0 | 0 |
| Operational risk | 100,733 | 100,733 | 45,691 |
| Credit valuation adjustment | 686 | 171 | 0 |
| Risk-weighted assets | 568,856 | 503,173 | 372,755 |
| Common equity tier 1 ratio (%) | 32.4% | 36.3% | 41.3% |
| Tier 1 ratio (%) | 32.4% | 36.3% | 41.3% |
| Total capital ratio (%) | 32.4% | 36.3% | 41.3% |
| Leverage ratio (%) | 18.4% | 23.5% | 24.4% |
| LCR | 595% | 424% | 419% |
| NSFR | 219% | 196% | 167% |

Note 5 Loans and deposits with credit institutions

| Amounts in NOK thousand | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|----------------|---------------|---------------|
| Loans and deposits with credit institutions | 125,275 | 65,111 | 36,903 |
| Total | 125,275 | 65,111 | 36,903 |

Note 6 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

| Amounts in NOK thousand | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|---|----------------|---------------|---------------|
| Intitial recognition | 125,796 | 65,796 | 55,796 |
| Change in fair value | 1,371 | 868 | 262 |
| Total financial assets at fair value | 127,167 | 66,664 | 56,058 |

Financial instruments at amortised cost

| Amounts in NOK thousand | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|--|----------------|----------------|----------------|
| Loans and deposits with credit institutions | 125,275 | 65,111 | 36,903 |
| Net loans to customers | 727,902 | 612,478 | 478,665 |
| Other receivables | 5,983 | 29,482 | 37,638 |
| Total financial assets at amortised cost | 859,160 | 707,071 | 553,206 |
| Deposits from and debt to customers | 784,708 | 577,249 | 439,646 |
| Other debt | 14,251 | 17,313 | 19,865 |
| Total financial liabilities at amortised cost | 798,960 | 594,562 | 459,512 |

Note 7 Receivables and other liabilities

RECEIVABLES

| Amounts in NOK thousand | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|--------------------------------|--------------|---------------|---------------|
| Skattefunn tax deduction claim | 2,634 | 2,634 | 3,684 |
| Other receivables | 3,349 | 26,848 | 33,953 |
| Total receivables | 5,983 | 29,482 | 37,638 |

OTHER LIABILITIES

| Amounts in NOK thousand | 30.06.2023 | 31.12.2022 | 30.06.2022 |
|--|---------------|---------------|---------------|
| Payables to suppliers | 1,995 | 2,966 | 1,244 |
| Payables to factoring customers and partners | 2,237 | 2,562 | 9,276 |
| Social security tax | 1,461 | 1,634 | 1,047 |
| Lease liabilities | 2,852 | 3,734 | 4,427 |
| Other liabilities | 5,707 | 6,416 | 3,873 |
| Total other liabilities | 14,251 | 17,313 | 19,865 |

Note 8 General administrative expenses

| Amounts in NOK thousand | Q2 2023 | Q2 2022 | YTD 2023 | YTD 2022 | 2022 |
|--|--------------|--------------|---------------|---------------|---------------|
| Sales and marketing | 2,070 | 1,781 | 8,165 | 4,779 | 11,372 |
| IT operations | 1,828 | 1,505 | 3,563 | 2,955 | 6,192 |
| External services | 609 | 792 | 1,825 | 1,501 | 3,487 |
| External audit and related services | 157 | 340 | 688 | 1,440 | 2,106 |
| Credit information | 431 | 311 | 743 | 648 | 1,283 |
| Other operating expenses | 1,267 | 719 | 2,763 | 1,472 | 2,925 |
| Total general administrative expenses | 6,362 | 5,447 | 17,747 | 12,795 | 27,366 |

Note 9 Tax

Aprila has a tax loss carryforward, with a related unrecognised deferred tax asset, that exceeds the expected taxable profit for the full financial year and, hence, the bank's best estimate of the weighted average annual income tax rate for 2023 is zero. The bank expects to recognise a deferred tax asset for the remaining net tax loss carryforward when it is considered probable, with convincing evidence, that future taxable profit will allow the deferred tax asset to be recovered. Please refer to note 15 in the annual statement for 2022 for more details.

Note 10 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 11 Shareholders

20 LARGEST SHAREHOLDERS AS REGISTERED IN VPS 17 JULY 2023

| Shareholder | Ownership | |
|------------------------------|-------------------|-------------|
| | Shares | Per cent |
| 1 SES AS | 13,090,000 | 19.89% |
| 2 AMESTO GROUP AS | 9,768,374 | 14.84% |
| 3 ALLIANCE VENTURE SPRING AS | 3,174,406 | 4.82% |
| 4 VISMA NORGE HOLDING AS | 3,000,000 | 4.56% |
| 5 EQUILIBRIA APS | 2,498,822 | 3.80% |
| 6 KVANTIA AS | 2,417,198 | 3.67% |
| 7 STRØMSTANGEN AS | 2,272,167 | 3.45% |
| 8 MP PENSJON PK | 2,227,357 | 3.38% |
| 9 PRIMERA AS | 1,786,500 | 2.71% |
| 10 REDIVIVUS AS | 1,354,008 | 2.06% |
| 11 FJ LABS | 1,099,400 | 1.67% |
| 12 ØSD FINANS AS | 1,000,000 | 1.52% |
| 13 CHRI AS | 946,032 | 1.44% |
| 14 AREPO AS | 907,747 | 1.38% |
| 15 UNIVERSAL PRESENTKORT AS | 897,699 | 1.36% |
| 16 SIRKELBUE AS | 800,000 | 1.22% |
| 17 DISRUPTOR AS | 740,000 | 1.12% |
| 18 MORTEN H KIELLAND | 610,000 | 0.93% |
| 19 STRIGEN AS | 608,798 | 0.92% |
| 20 NORDIC PRIVATE EQUITY AS | 600,000 | 0.91% |
| Others | 16,020,144 | 24.34% |
| Total | 65,818,652 | 100% |

Aprila Bank ASA
Kirkegata 5
0153 Oslo