

Aprila

Aprila Bank ASA | Q4 2024 | 14 February 2024

Disclaimer



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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We reinvent business banking

Aprila provides credit to a large and underserved SME market

- SMEs account for around two thirds of employment and more than half of GDP in Europe
- These businesses are largely underserved and the funding gap for European SMEs has been estimated to EUR 400 bn
- Closing this funding gap is vital to maintain welfare standards in European countries, and this is the reason why Aprila was founded

We leverage technology to create competitive advantage

- Our technology platform is developed in-house and exposed to own channels and partners through APIs
- We have access to large amounts of structured data, including day-to-day customer accounting data and a rapidly growing amount of behavior data
- Credit scoring and pricing is based on machine-learning technology, with data from our in-house developed data warehouse

Our customers receive a credit offer within 60 seconds

- We focus on availability, speed and convenience, offering products with understandable pricing and swift credit decisions
- More than half of our customers are onboarded within three days after the application is submitted

Key figures

Business customers **5,234**
(31 Dec 2024)¹

Total income run-rate **221**
(NOK million, annual run-rate, Q4 24)²

Cost / income **55%**
(LTM)³

Return on equity **13.9%**
(LTM)

Highlights Q4 2024



Q4 24

<i>NOKm</i>	Q4 24	Q4 23
Gross loans	1,072	909
Gross income from lending	65	56
Total income	53	47
Pre-tax operating profit bf. loan losses	21	20
Pre-tax operating profit	9	10
Yield on avg. net loans ¹	27%	28%

LTM

<i>NOKm</i>	<i>LTM² ending</i>	
	Q4 24	Q4 23
Gross loans	1,072	909
Gross income from lending	249	192
Total income	208	161
Pre-tax operating profit bf. loan losses	94	66
Pre-tax operating profit	37	23
Yield on avg. net loans ¹	27%	27%

Soft and profitable lending growth

- Gross lending grew 18% YoY and declined 4% QoQ to NOK 1,072 million
- Adjusted for the NPL-sale, gross lending grew NOK 53 million in the quarter (+5% QoQ)
- Total income increased 11% YoY and declined by 4% QoQ to NOK 53 million

Pre-tax profit of NOK 9m and ROE of 12.2%

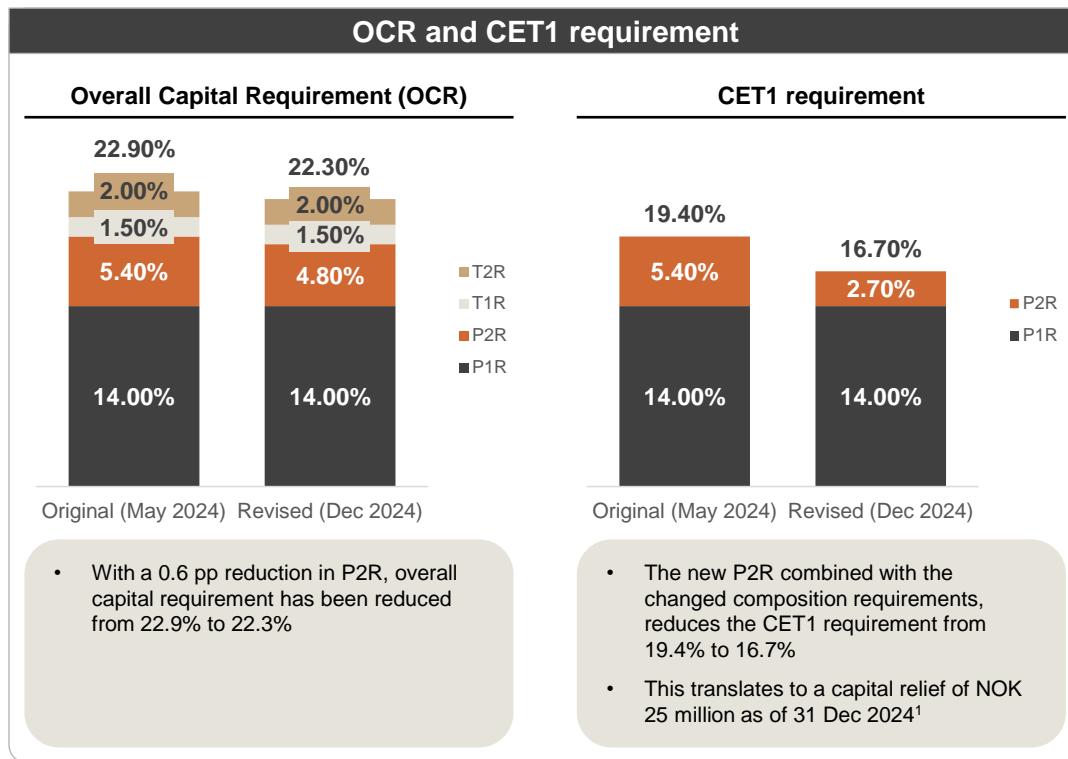
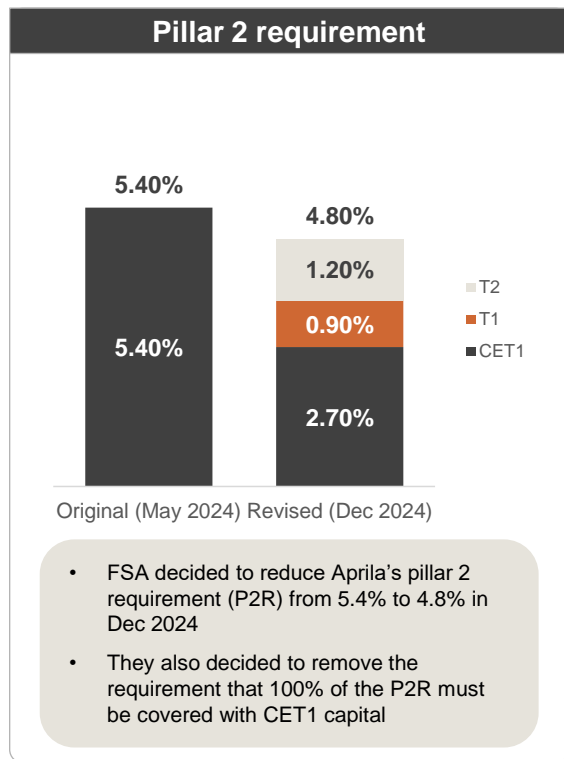
- Moderate loan losses of NOK 11.7 million
- Return on equity (ROE) of 12.2% in the quarter and 13.9% for 2024
- Adjusted for one-offs in December, pre-tax profit in Q4 was NOK 11.1m and ROE 15.1%

Relief in capital requirements

- CET1-requirement effectively reduced from 19.4% to 16.7% in Dec 2024
- FSA to perform to perform new SREP in 2025



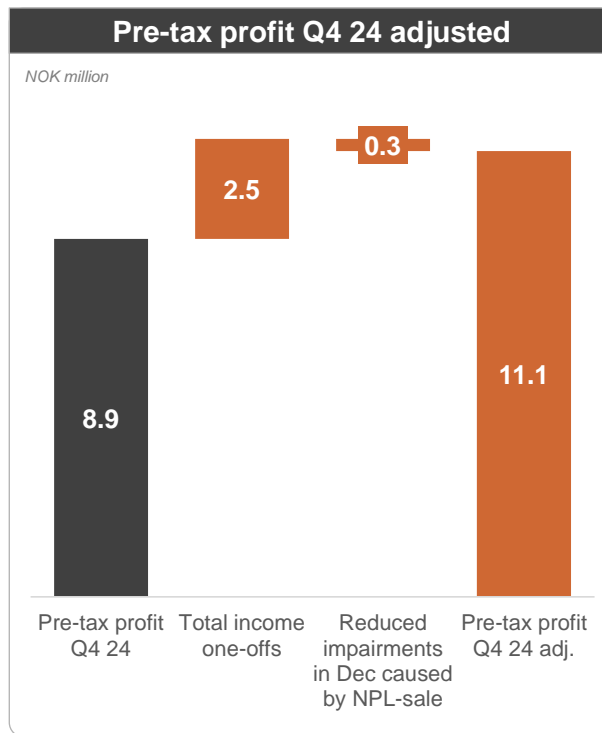
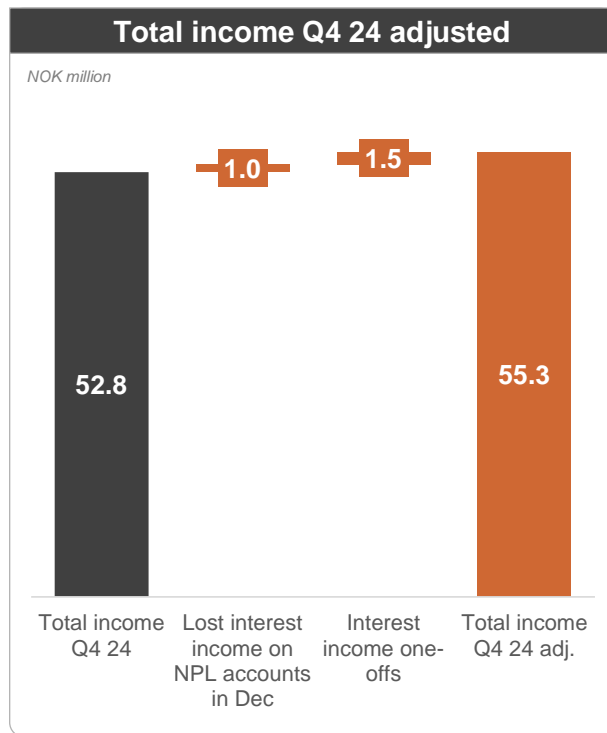
P2R reduced by 0.6 pp and CET1 requirement by 2.7 pp



Note 1: 2.7% of the Risk exposure amount (REA) of NOK 920 million as of 31 Dec 2024.



Q4 impacted by NPL-divestment and other one-offs in December

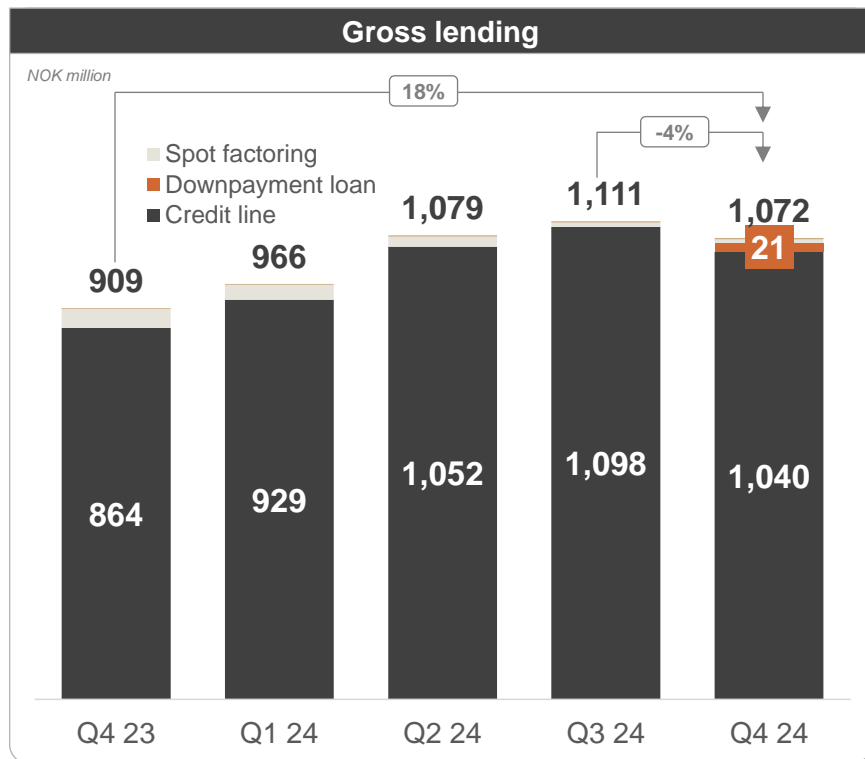


Key comments

- Total income one-offs
 - NOK 1 million in lost interest income caused by the NPL-divestment (income that would have been booked in the portfolio had not been divested)
 - NOK 1.5 million in other interest income one-offs
- Pre-tax profit one-offs
 - NOK 2.5 million in total income one-offs
 - NOK 0.3 million in reduced impairments caused by the NPL-divestments (would have been booked if the portfolio had not been divested)
- Adjusted performance
 - Total income-run rate: NOK 221m
 - ROE: 15.1%



Lending growth impacted by NPL-divestment in Q4

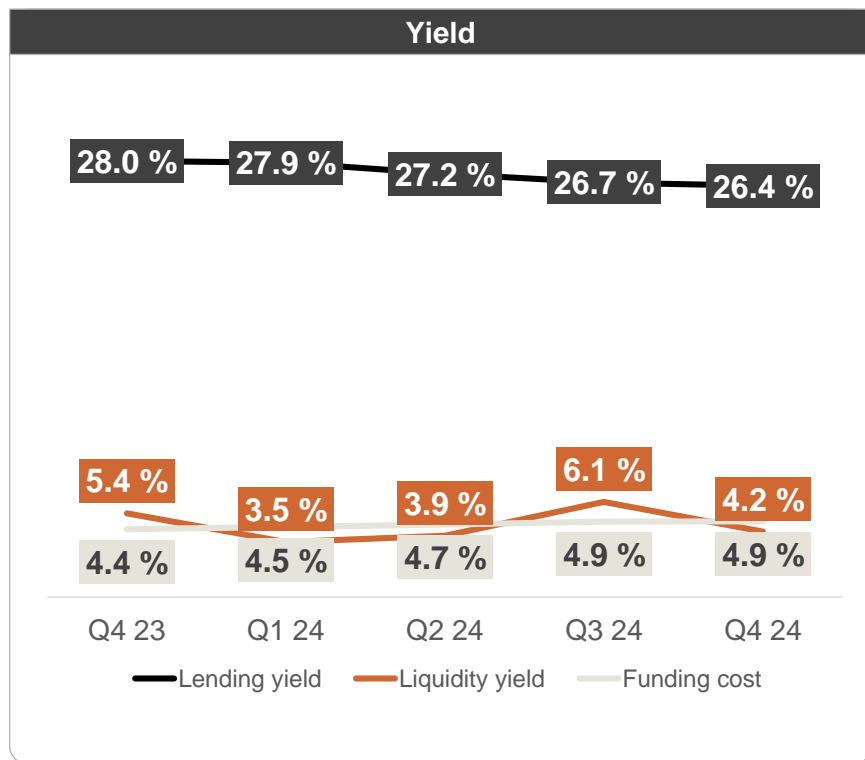


Key comments

- Total book
 - Lending growth of 18% YoY and -4% QoQ
 - Excluding the NPL-divestment of NOK 92 million, gross lending increased by NOK 53 million in Q4 (+5% QoQ)
- In 2024, we focused on building a foundation for accelerated growth
 - Our growth so far in 2025 indicates that our efforts to accelerate growth are starting to yield results
 - Gross lending grew by an all-time-high NOK 55 million in January alone, representing ~3x the growth pace in Q4 24



Lending yield in a controlled decline due to reduced credit risk

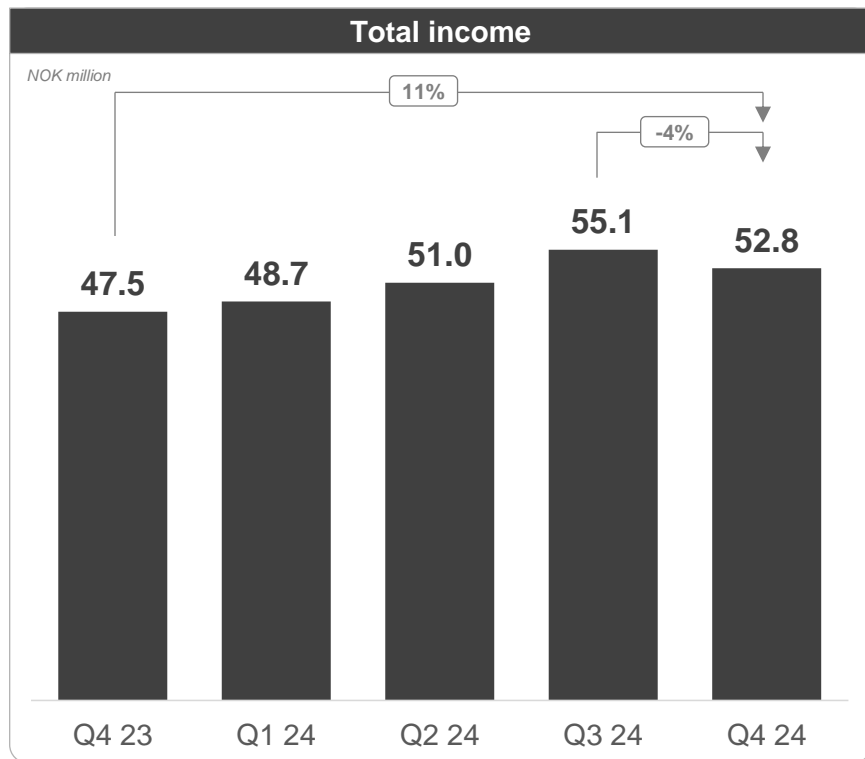


Key comments

- Lending yield of 26.4% in Q4
- Going forward, lending yield is expected to trend downwards in a controlled manner caused by a shift towards larger customers with lower credit risk
- Funding cost stable at 4.9%. Latest interest change in effect from end of May



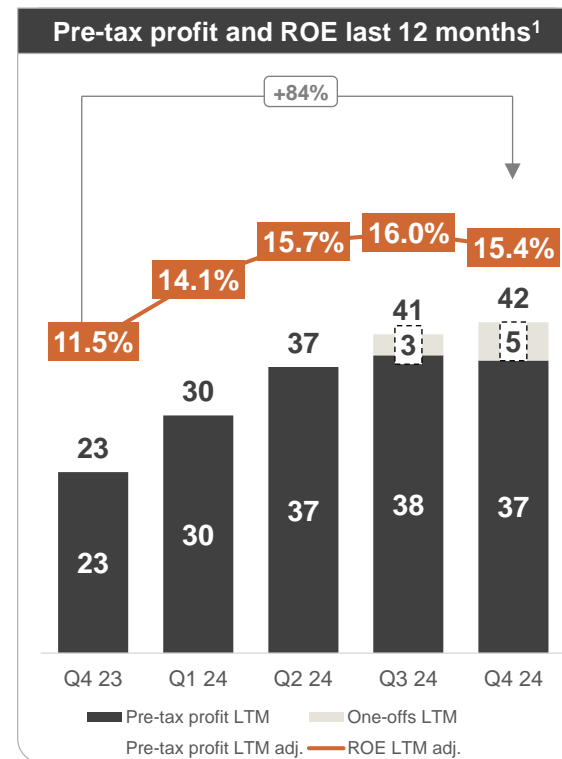
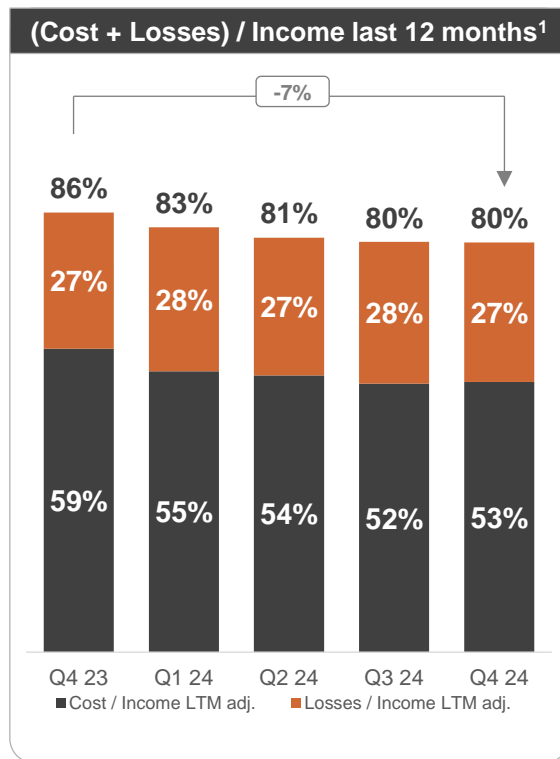
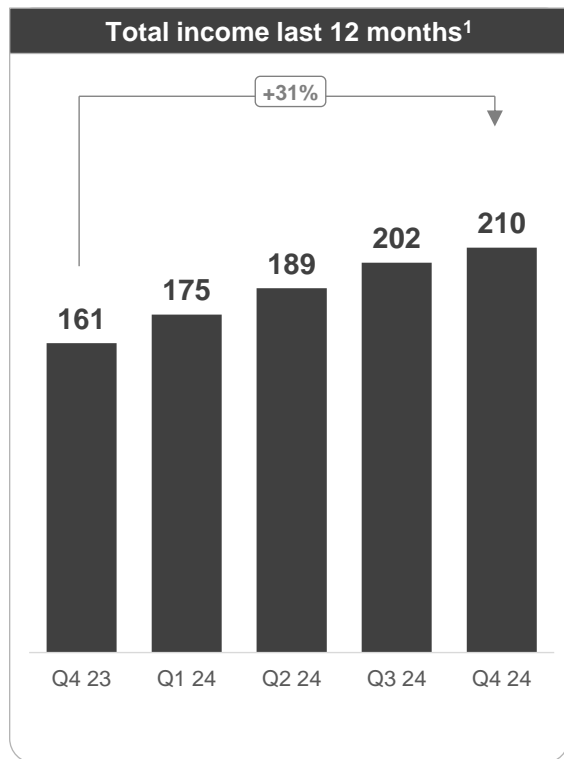
Total income in Q4 impacted by NPL-divestment and other one-offs



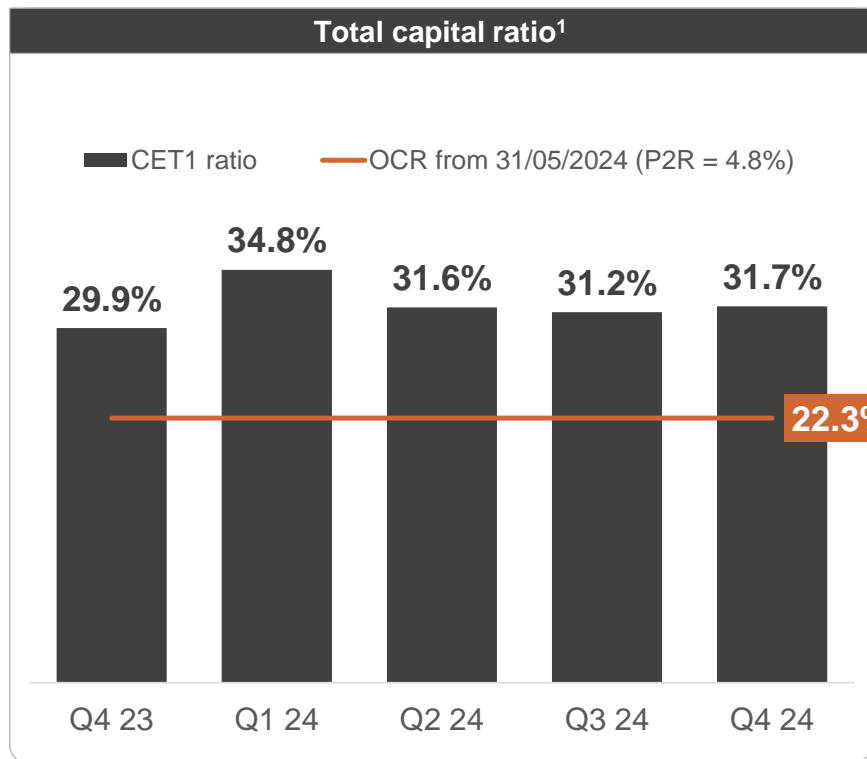
Key comments

- Total income growth of 11% year-on-year and -4% in Q4
- Adjusted for interest income one-offs, total income amounted to NOK 55.3 million in Q4, representing a growth of 16% year-on-year and 0.4% in Q4
- The total income split in Q4 24:
 - Net interest income: NOK 46.3 million (88%)
 - Net commission income: NOK 4.1 million (8%)
 - Net gains on financial instruments: NOK 2.4 million (5%)

Income growth + declining cost/income ratio = improved profitability



Solid capital position



Key comments

- CET1-ratio of 31.7% 31 Dec 2024
- Following the updated SREP Aprila's OCR is **22.3%** and the Norwegian Financial Supervisory Authority (FSA) expects Aprila to maintain a total capital ratio above **23.8%** (22.3% + 1.5%)
- In the final report from FSA's on-site inspection of Aprila Bank in 2022, FSA stated that the bank, in FSA's opinion, does not have sufficient historical data to use retail classification
 - The bank has applied retail classification on eligible exposures as of 31 Dec 2024
 - Without retail classification, the CET1-ratio would have been 26.6% as of 31 Dec 2024

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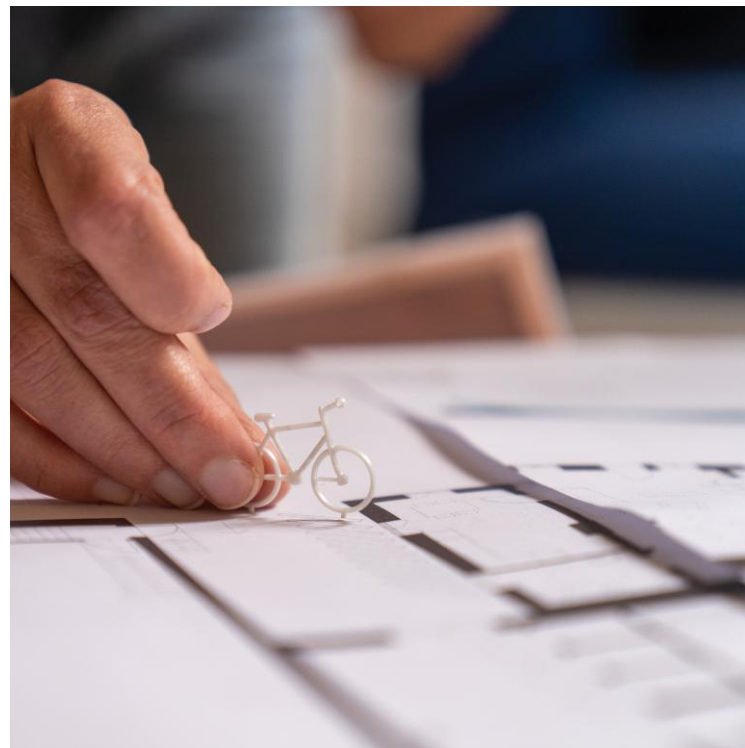
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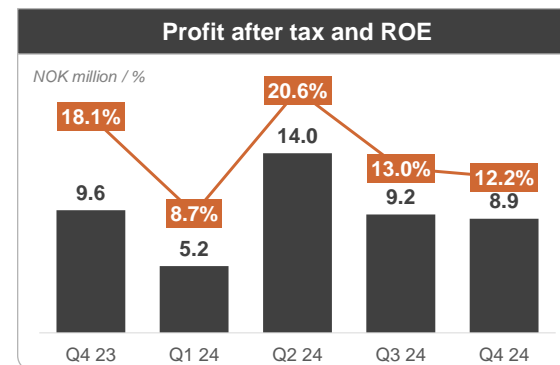
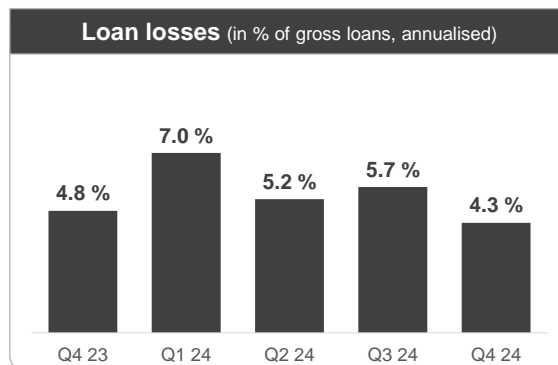
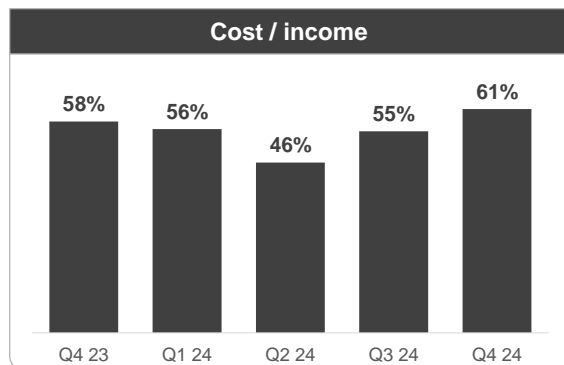
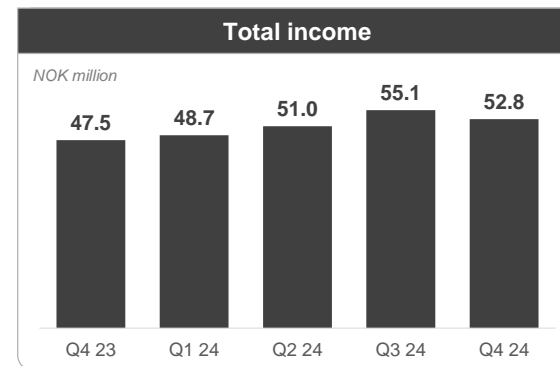
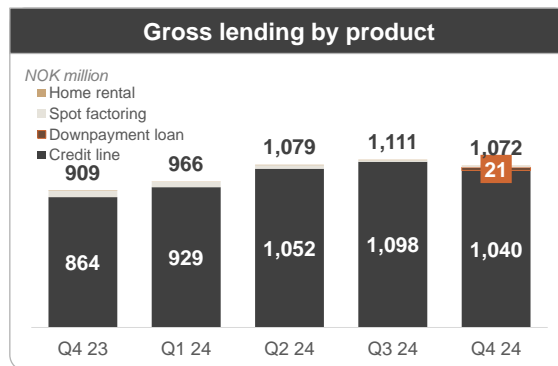
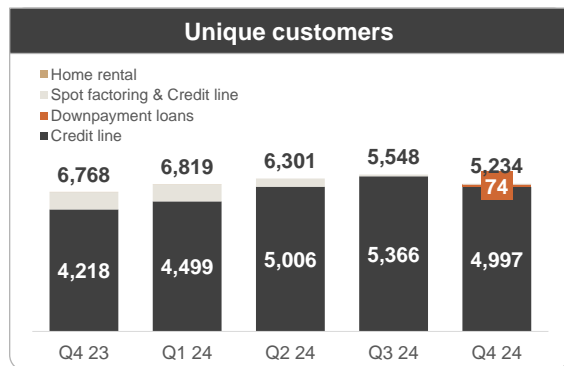
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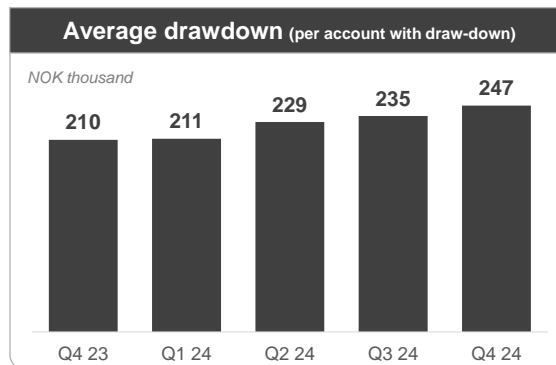
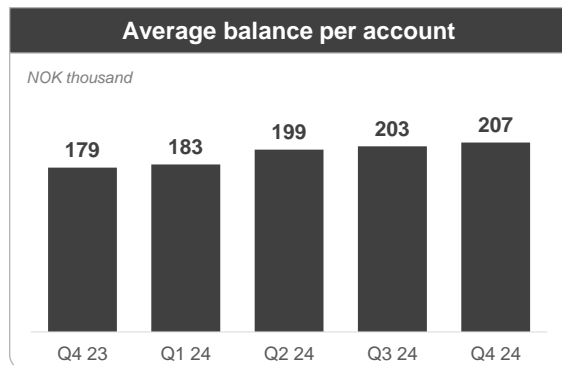
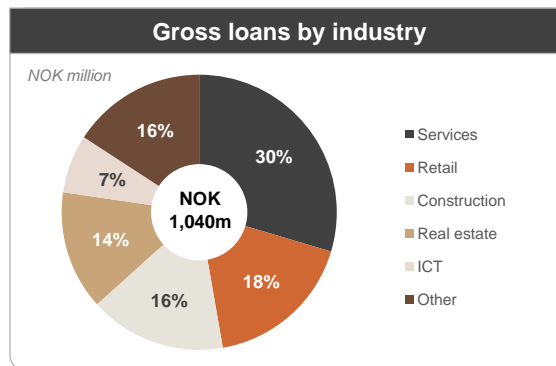
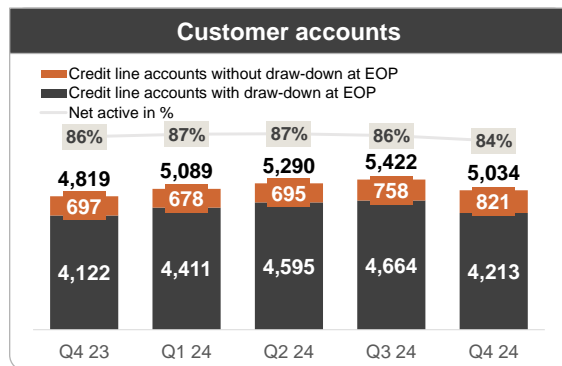


Q4 Financial Performance Overview





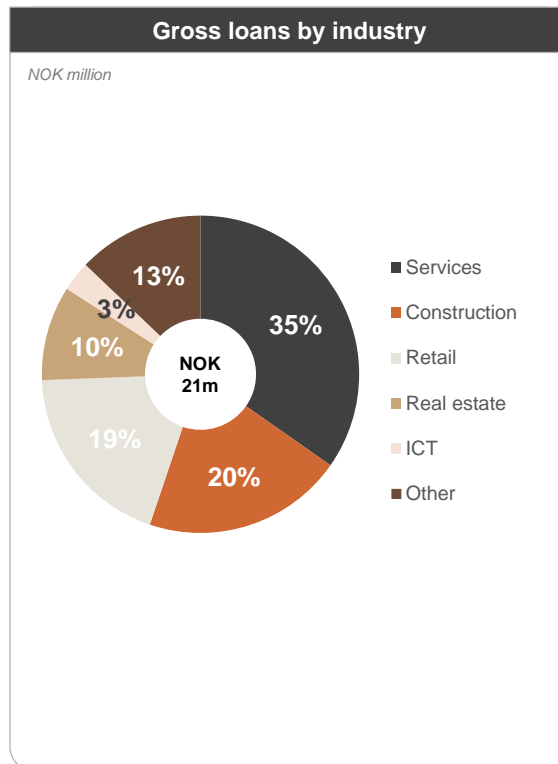
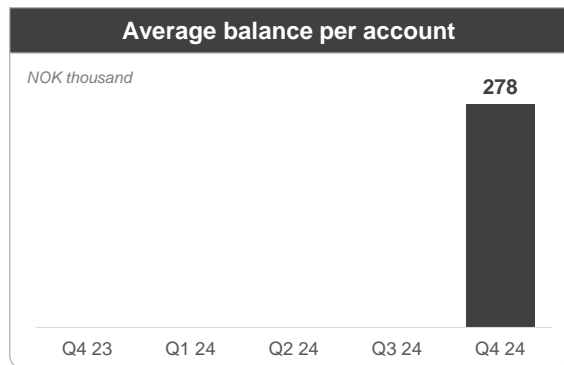
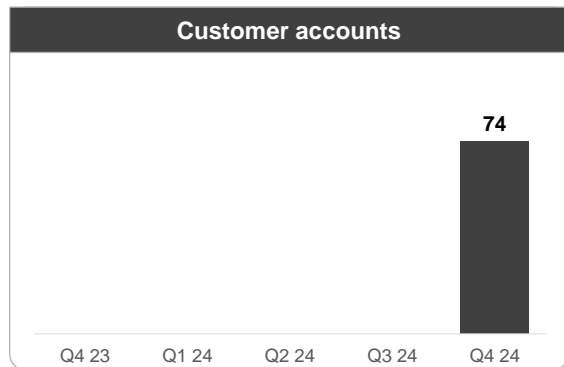
Average account balance steadily increasing



Key comments

- Net -388 new accounts (-7%) in the quarter
 - Onboarded: 332
 - Offboarded: 720 of which 475 in the NPL-divestment
- 5,034 credit line accounts at the end of the period
- 84% of customer accounts with draw-down at EOP
- NOK 207k outstanding per account at the end of the period
- On average NOK 247k drawn by customers with draw-down

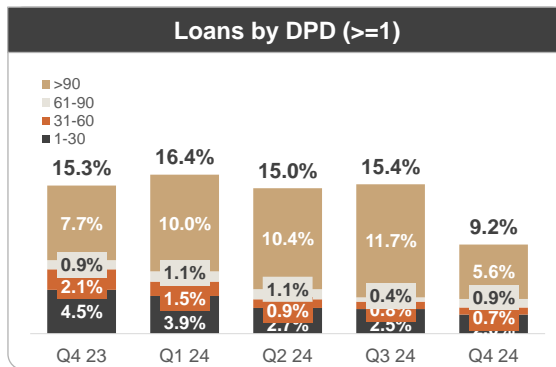
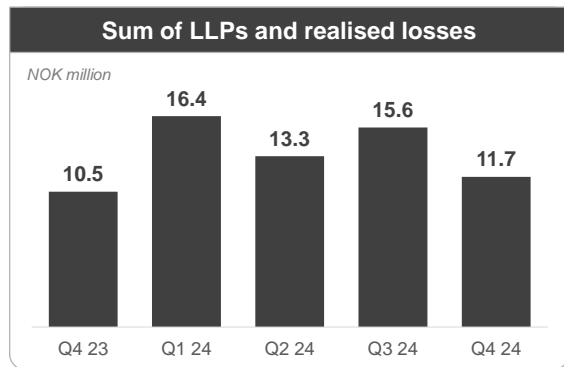
74 downpayment loan accounts with an average balance of NOK 278k



Key comments

- Net 74 new accounts in the quarter
 - Onboarded: 74
 - Offboarded: 0
- 74 downpayment loan accounts at the end of the period
- NOK 278k outstanding per account at the end of the period

Healthy loan book



Key comments

- Total loan losses of NOK 11.7m in Q4 of which:
 - NOK -56.7m in LLPs and
 - NOK 68.5m in net realised losses caused by the NPL-divestment
- DPD >= 1: 9.2% of gross loans

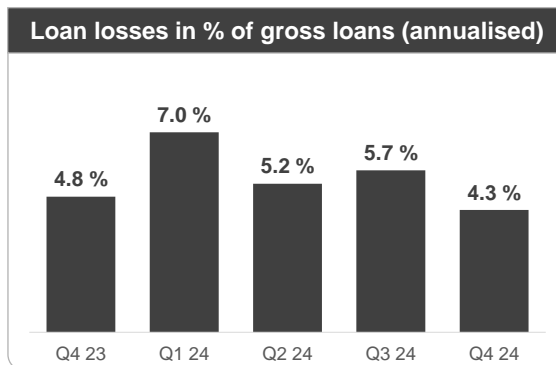
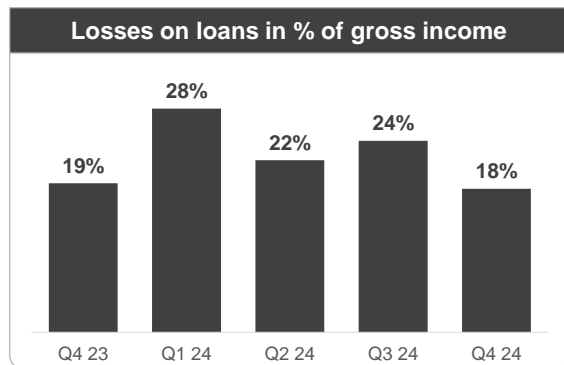


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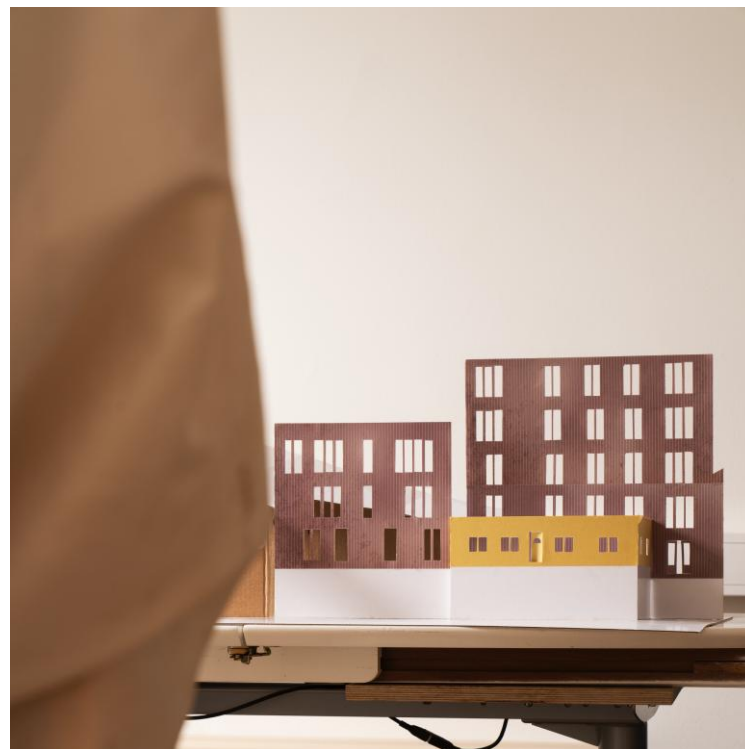
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No. 1 priority in 2025 is to accelerate growth



Accelerate growth

- Improve offering to larger customers
- Streamline sales processes
- Continue to optimise the loan origination model (approval, limit / loan size and price)

Strengthen competitive advantage

- Enhance automation of core customer processes
- Optimise and evolve credit models
- Continue to streamline customer onboarding and experience

Improve long-term profitability

- Continue to automate internal processes
- Continue to improve marketing efficiency and effectiveness

Targeting a total income run-rate of NOK 260 - 270 million at year-end



	YE 24E	YE 24A	YE 25E	Key drivers
Total income Annual run-rate ¹ (NOK million)	~ 225	221 ³	260 - 270	<ul style="list-style-type: none"> Increased lending balance per account Controlled decline in yield as the lending book gradually shifts towards larger customers with lower credit risk
Cost / income (LTM) ²	~ 55%	55%	~ 52%	<ul style="list-style-type: none"> Scaling effects 3 new FTEs Wage and cost inflation
Customer accounts (EOP)	> 5,600 (CL)	5,509 ⁴ (CL)	~ 6,000 (CL + DL)	<ul style="list-style-type: none"> Continued marketing investments Direct sales

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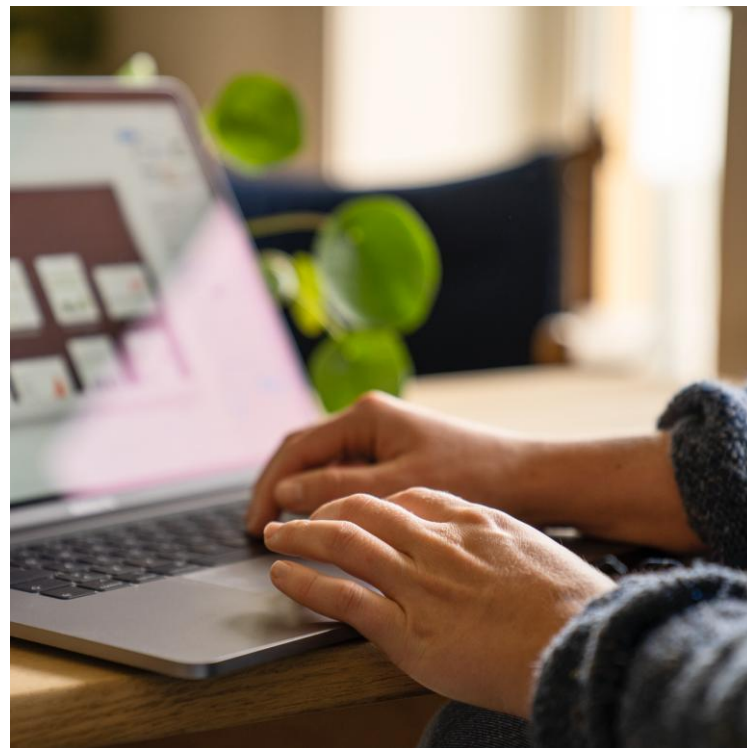
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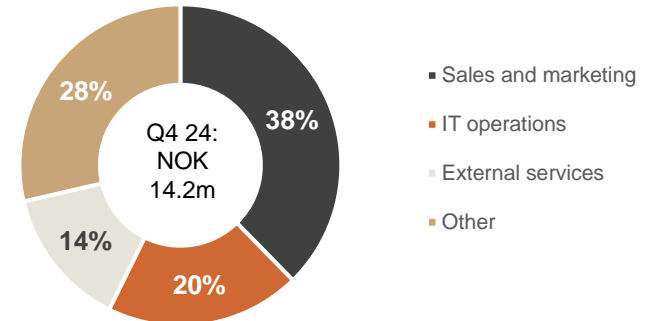
Income statement & general administrative expenses

Income Statement

Amounts in NOK thousand	Q4 2024	Q4 2023	2024	2023
Interest income	60,025	50,861	230,269	171,672
Interest expense	13,757	9,515	46,508	29,957
Net interest income	46,268	41,347	183,761	141,715
Income commissions and fees	4,329	3,769	16,686	13,398
Expenses commissions and fees	221	165	898	817
Net commissions and fees	4,108	3,604	15,788	12,581
Net gains / losses (-) on certificates, bonds and currency	2,422	2,533	8,089	6,308
Other income	0	0	0	0
Total income	52,798	47,484	207,638	160,604
Salary and other personnel expenses	16,502	15,455	61,613	52,067
General administrative expenses	14,219	10,080	45,321	35,607
Total salary and administrative expenses	30,721	25,536	106,934	87,674
Depreciation and impairment of fixed and intangible assets	1,513	1,841	6,387	7,213
Total operating expenses excl. losses on loans	32,234	27,376	113,321	94,886
Losses on loans	11,667	10,547	56,979	42,632
Pre-tax operating profit	8,897	9,561	37,338	23,086
Tax	0	0	0	0
Profit after tax	8,897	9,561	37,338	23,086
Earnings per share (NOK)	0.12	0.15	0.52	0.35
Diluted earnings per share (NOK)	0.12	0.15	0.52	0.35

General administrative expenses

Amounts in NOK thousand	Q4 2024	Q4 2023	2024	2023
Sales and marketing	5,357	3,875	18,197	15,589
IT operations	2,792	2,162	9,896	7,658
External services	2,002	1,121	6,841	3,728
External audit and related services	413	755	1,304	1,475
Credit information	326	356	1,380	1,456
Other operating expenses	3,330	1,811	7,703	5,700
Total general administrative expenses	14,219	10,080	45,321	35,607



Balance sheet & regulatory capital



Balance Sheet

<i>Amounts in NOK thousand</i>	31.12.2024	31.12.2023
Loans and deposits with credit institutions	168,803	73,803
Net loans to customers	977,840	819,774
Certificates and bonds	256,060	152,963
Other intangible assets	4,316	6,853
Deferred tax assets	0	0
Fixed assets	2,443	2,036
Other receivables	6,101	6,170
Total assets	1,415,564	1,061,600
Deposits from and debt to customers	1,096,783	821,235
Other debt	21,913	23,689
Total liabilities	1,118,696	844,924
Share capital	72,660	65,819
Share premium	328,940	291,636
Unregistered Share capital	0	1,315
Other paid-in equity	3,424	3,402
Retained earnings	-108,157	-145,495
Total equity	296,868	216,676
Total equity and liabilities	1,415,564	1,061,600

Regulatory capital

<i>Amounts in NOK thousand</i>	31.12.2024	31.12.2023
Share capital	72,660	65,819
Share premium	328,940	291,636
Other equity	-104,733	-140,778
Total equity	296,868	216,676
Part of interim or year-end profit not eligible	0	0
Additional value adjustments (AVA)	-256	-153
Other intangible assets	-4,316	-6,853
Deferred tax assets	0	0
Insufficient coverage for non-performing exposures	-174	-28
CET 1 instruments funded by the institution	-521	0
Common equity tier 1 (CET 1)	291,601	209,641
Tier 1 capital	291,601	209,641
Total capital	291,601	209,641
Risk-weighted exposure amount		
Regional governments or local authorities	0	356
Public sector entities	0	146
Institutions	33,761	14,764
Corporates	32,070	18,447
Retail	523,654	431,560
Exposures in default	16,578	30,653
Items associated with particularly high risk	3,006	0
Collective investments undertakings (CIU)	11,856	6,934
Other items	8,336	7,575
Credit risk	629,261	510,434
Position, foreign exchange and commodities risks	0	0
Operational risk	289,933	190,954
Credit valuation adjustment	759	380
Total risk exposure amount	919,952	701,768
Common equity tier 1 ratio (%)	31.7%	29.9%
Tier 1 ratio (%)	31.7%	29.9%
Total capital ratio (%)	31.7%	29.9%
Leverage ratio (%)	20.1%	19.5%
LCR	937%	701%
NSFR	233%	206%

Gross income and key figures

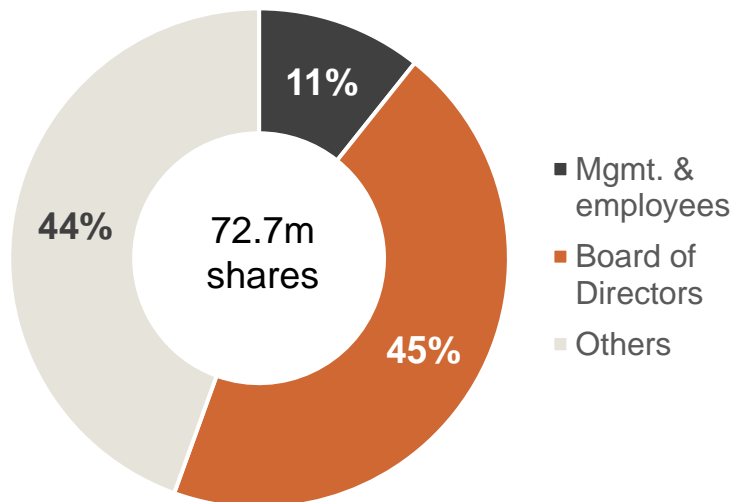


Gross income and key figures										
NOK million	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24
Gross income and margin										
Interest income credit line	22.7	27.0	33.1	37.7	41.8	48.3	51.5	55.4	60.1	60.1
Income commissions and fees credit line	2.0	2.4	2.6	2.9	3.2	3.4	3.7	4.0	4.2	4.3
Gross income credit line	24.8	29.5	35.7	40.5	44.9	51.8	55.2	59.5	64.3	64.5
Interest income downpayment loan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Income commissions and fees downpayment loan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Gross income downpayment loan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Interest income spot factoring	5.0	5.3	4.6	4.6	4.0	4.1	2.9	1.8	0.2	0.0
Income commissions and fees spot factoring	0.3	0.4	0.4	0.3	0.3	0.3	0.2	0.1	0.0	0.0
Gross income spot factoring	5.4	5.7	5.0	5.0	4.3	4.4	3.2	2.0	0.2	0.0
Gross income other	-0.1	1.5	0.8	1.3	4.5	3.6	2.0	2.4	5.1	4.5
Gross income total	30.0	36.7	41.5	46.8	53.8	59.8	60.4	63.9	69.6	69.2
Direct variable expenses	5.5	7.7	8.5	10.4	12.9	13.8	12.5	13.7	15.2	18.2
Gross profit bf. loan losses	24.5	29.0	33.1	36.4	40.9	45.9	47.9	50.1	54.4	51.0
Total income	25.2	29.7	33.9	37.4	41.9	47.5	48.7	51.0	55.1	52.8
Gross income from lending	30.2	35.2	40.7	45.5	49.2	56.2	58.4	61.5	64.5	64.8
Total operating expenses	16.8	21.4	26.0	17.8	23.8	27.1	27.1	23.7	30.3	32.2
Losses on loans	11.9	9.6	9.9	11.8	10.4	10.5	16.4	13.3	15.6	11.7
Key figures										
Gross margin ¹	82%	79%	80%	78%	76%	77%	79%	78%	78%	74%
Total income / gross income	84%	81%	82%	80%	78%	79%	81%	80%	79%	76%
Net interest margin after losses ²	10.6%	13.1%	14.9%	14.4%	14.9%	17.2%	14.9%	16.1%	15.0%	15.8%
Cost / income	67%	72%	77%	47%	57%	57%	56%	46%	55%	61%
Losses on loans / gross income from lending	39%	27%	24%	26%	21%	19%	28%	22%	24%	18%

Aligned interests among key stakeholders



Share distribution



Top 30 shareholders¹

#	Investor	Name	Role	Ownership	
				# shares	%
1	SES AS	Bertel Steen	Board member	18,100,000	24.9 %
2	AMESTO GROUP AS	Arild Spandow	Chairman	9,768,374	13.4 %
3	KVANTIA AS	Hans Marius Falkanger	Board member	4,335,036	6.0 %
4	ALLIANCE VENTURE SPRING AS			3,174,406	4.4 %
5	VISMA NORGE HOLDING AS			3,000,000	4.1 %
6	EQUILIBRIA APS			2,808,822	3.9 %
7	MP PENSJON PK			2,227,357	3.1 %
8	STRØMSTANGEN AS			1,990,341	2.7 %
9	PRIMERA AS	Per Christian Goller	Chief Growth Officer	1,816,500	2.5 %
10	ØSD INVEST AS	Øystein Sindre Dannevig	Chief Decision Scientist	1,512,781	2.1 %
11	FJ LABS			1,099,400	1.5 %
12	CHRI AS			946,032	1.3 %
13	AREPO AS			907,747	1.2 %
14	SIRKELBUE AS	Karl Erik Asbjørnsen	Technologist	800,000	1.1 %
15	DISRUPTOR AS	Israr Khan	Chief Product & Tech Officer	760,289	1.0 %
16	OSMANI VENTURE CAPITAL AS			736,385	1.0 %
17	THESAURUS AS			725,453	1.0 %
18	JAH AS			615,127	0.8 %
19	BLUE MOUNTAIN CAPITAL AS	Kjetil Sørlien Barli	Acting CEO	614,000	0.8 %
20	UNIVERSAL PRESENTKORT AS			597,699	0.8 %
21	VIVIEND AS			575,454	0.8 %
22	ELIGERE AS	Lene Gridseth	Chief Operating Officer	573,200	0.8 %
23	KLØVNINGEN AS			535,350	0.7 %
24	JOMAHO AS			535,136	0.7 %
25	PIOTARHO AS			500,000	0.7 %
26	SANDSOLO HOLDING AS			462,110	0.6 %
27	ITO CHRISTIAN AS			444,326	0.6 %
28	STRIGEN AS			420,914	0.6 %
29	ARBIENSGT 8 AS			370,758	0.5 %
30	NORDIC PRIVATE EQUITY AS			358,398	0.5 %
	Others			11,349,041	15.6 %
Total				72,660,436	100.0 %

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