



Q4

Interim report  
October – December 2019

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## KEY FIGURES

PURCHASED AMOUNT<sup>1)</sup>

112

MNOK

NET NEW CUSTOMERS

110

AVERAGE MARGIN<sup>2)</sup>

2.96%

AVERAGE GRANTED DAYS<sup>3)</sup>

22.6

TOTAL INCOME

2.3

MNOK

PROFIT AFTER TAX

-11.5

MNOK

<sup>1)</sup> Nominal value of invoices purchased in the period.

<sup>2)</sup> Gross interest and fee income in % of purchased amount, not accounting for accruals.

<sup>3)</sup> Volume weighted average number of due days granted to end customers on invoices purchased in the reporting period.

## INTERIM REPORT

### About Aprila Bank ASA

Aprila Bank offers automated financing solutions to small and medium-sized businesses through partner channels. The bank commenced operations in April 2018; providing financing through the cloud-based ERP solution Tripletex.

With the launch of the bank's first product, Aprila Invoice Sales, we set a new standard in liquidity financing for Norwegian businesses. Aprila Invoice Sales represents the first fully digital solution for spot factoring of invoices in the Norwegian market. Customer onboarding is done digitally, directly in partner channels, and only takes a few minutes to complete. Aprila Invoice Sales is seamlessly incorporated into customers' existing workflows and funds are paid the following business day at the latest.

In December 2019, Aprila launched its second product; credit line for small and medium-sized businesses. The product is available in Tripletex and on kassekreditt.no and has no fixed fees; customers are only charged for the funds that are drawn.

Aprila Bank has made early strides towards improving the availability of financing, and working capital in particular, for small and medium-sized businesses. The team continues to work to fulfil this ambition, with an emphasis on new product development and broadening distribution.

The bank is owned by private and institutional investors in Norway and abroad. No individual shareholder has an ownership stake exceeding 10% in Aprila.

### Our sixth operating quarter

Q4 2019 is the sixth quarter Aprila is fully operational, following the launch in Tripletex on 26 June 2018. Highlights from the quarter are outlined below.

### Highlights Q4 2019

- Distribution agreement signed with Fiken, providing Aprila with access to ~35,000 new SMEs

- Credit line launched in Tripletex and on kassekreditt.no in December
- All-time high purchased amount in the quarter of NOK 112m
- Margin expansion of 17%; from 2.53% in Q3 to 2.96% in Q4
- At EOP, Aprila had 802<sup>4)</sup> customers of which 302 sold invoices in Q4

### Financial figures

All figures are prepared and presented in accordance with IFRS. Comparable figures from Q3 2019 are presented in brackets.

Purchased volume in Q4 amounted to NOK 112.2 million (NOK 89.9 million). Average margin was 2.96% (2.53%), and net interest income was NOK 3.0 million (NOK 2.5 million). Interest income from lending (adjusted for accruals) amounted to NOK 3.2 million (NOK 2.2 million).

Total operating expenses amounted to NOK 12.9 million (NOK 10.2 million) of which NOK 6.6 million (51%) in salary and personnel expenses, NOK 5.6 million (43%) in general administrative expenses and NOK 0.7 million (5%) in ordinary depreciation. Losses on loans amounted to NOK 0.9 million (NOK 0.3 million).

Total assets at the end of the quarter amounted to NOK 170 million (NOK 143 million) of which NOK 41 million were net loans to customers. Total equity amounted to NOK 92 million (NOK 103 million) and CET1-ratio was 120.6% (183.2%). Total liquid assets amounted to NOK 106 million (NOK 100 million) of which NOK 61 million in bank deposits and NOK 45 million in the LCR-funds DNB Global Treasury and DNB OMF.

### Outlook

Going forward Aprila will continue to focus on three key priorities: improving customer acquisition, strengthening distribution and building competitive advantage.

<sup>4)</sup> Net of closed accounts

### Improving customer acquisition

- **New product:** Utilising valuable insight from the first operational year, Aprila has put significant effort into the development of the recently launched credit line. The product has been well received in the market and we expect the positive impact on new customer acquisition to continue during the first quarter.
- **Relationship-based sales through new partners:** Aprila intends to introduce relationship-based sales through external partners and expects a handful of these partnerships to be fully operational during the first quarter of 2020.
- **In-house marketing and sales:** During the first quarter of 2020, Aprila will, through its distribution partners, be exposed to the majority of the relevant market in Norway. Combined with the launch of kassekreditt.no, we are now positioned to proactively build our brand and intensify our marketing and sales effort. As a result, we have strengthened our marketing and sales capabilities with two new hires who will start in March.

### Strengthening distribution

- **Online accounting systems:** We expect the ongoing implementation projects with Visma eAccounting and Fiken to be completed during the first quarter of 2020. Once completed, Aprila Bank will have access to ~130.000 SMEs through five ERP channels<sup>5)</sup>.
- **Own channel:** With the launch of kassekreditt.no, Aprila now has its first direct-to-customer product and we will intensify the marketing effort related to this channel during the first half of 2020.

### Building competitive advantage

During 2019, Aprila has developed a new, comprehensive pricing model for our spot factoring product. The model is a combined machine-learning and rule-based optimisation model trained on invoice data, behaviour data and accounting data. The model was implemented late January 2020, and we expect the model to increase the profitability of the product.

### Other information

The accounting deficit for Q4 has in its entirety been booked against retained earnings. This interim report has not been audited by the company's external auditor.

Oslo, 12 February 2020

**Board of Directors**  
Aprila Bank ASA

<sup>5)</sup> Tripletex (~40.000), Visma eAccounting (~40.000), Fiken (~35.000), Xledger (~10.000) and Uni Economy (~5.000).

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

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

## CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	Note	31.12.2019	31.12.2018
Loans and deposits with credit institutions	4, 5	60 593	54 639
Net loans to customers	2	40 885	39 619
Certificates and bonds	5	45 470	30 112
Other intangible assets		12 700	5 838
Deferred tax assets		0	0
Fixed assets		5 868	1 064
Other receivables	6	4 522	2 226
<b>Total assets</b>		<b>170 038</b>	<b>133 500</b>
Deposits from and debt to customers		62 194	0
Other debt	6	15 642	5 999
<b>Total liabilities</b>		<b>77 836</b>	<b>5 999</b>
Share capital	3	36 220	36 220
Share premium	3	127 036	127 036
Unregistered share capital	3	37	0
Other paid-in equity	3	1 680	446
Retained earnings	3	-72 771	-36 201
<b>Total equity</b>		<b>92 202</b>	<b>127 501</b>
<b>Total equity and liabilities</b>		<b>170 038</b>	<b>133 500</b>

## CONDENSED STATEMENT OF THE CASH FLOW POSITION

Amounts in NOK thousand	Note	Q4 2019	Q4 2018	2019	2018
Pre-tax operating profit		-11 478	-7 159	-36 570	-26 299
Taxes		0	0	0	0
Ordinary depreciation		693	337	2 227	1 085
Change in loans	2	-10 012	-16 251	-1 266	-39 619
Change in deposits from customers		29 960	0	62 194	0
Change in securities	5	-15 157	-13	-15 358	-30 112
Change in accruals		3 268	1 135	3 839	3 342
<b>Net cash flow from operating activities</b>		<b>-2 725</b>	<b>-21 951</b>	<b>15 067</b>	<b>-91 603</b>
Net investments in fixed assets		-428	-66	-750	-1 225
Net investments in intangible assets		-6 455	434	-8 672	-3 844
<b>Net cash flow from investing activities</b>		<b>-6 883</b>	<b>368</b>	<b>-9 421</b>	<b>-5 069</b>
Paid-in equity	3	527	244	1 271	145 057
Repayment of leasing liabilities		-318	0	-963	0
<b>Net cash flow from financing activities</b>		<b>209</b>	<b>244</b>	<b>308</b>	<b>145 057</b>
Net cash flow for the period		-9 399	-21 339	5 954	48 384
Cash and cash equivalents at the start of the period	4	69 992	75 978	54 639	6 255
<b>Cash and cash equivalents at the end of the period</b>	4	<b>60 593</b>	<b>54 639</b>	<b>60 593</b>	<b>54 639</b>



## 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
<b>Equity as of 31 December 2018</b>	<b>36 220</b>	<b>127 036</b>	<b>0</b>	<b>446</b>	<b>-36 201</b>	<b>127 501</b>
Changes in equity due to stock options program				1 234		1 234
Net profit for the period					-36 570	-36 570
Paid in unregistered share capital			37			37
<b>Equity as of 31 December 2019</b>	<b>36 220</b>	<b>127 036</b>	<b>37</b>	<b>1 680</b>	<b>-72 771</b>	<b>92 202</b>
<b>Equity as of 31 December 2017</b>	<b>8 910</b>	<b>9 735</b>	<b>0</b>	<b>0</b>	<b>-9 901</b>	<b>8 744</b>
Share capital increase	27 310	117 301				144 611
Changes in equity due to stock options program				446		446
Net profit for the period					-26 299	-26 299
<b>Equity as of 31 December 2018</b>	<b>36 220</b>	<b>127 036</b>	<b>0</b>	<b>446</b>	<b>-36 201</b>	<b>127 501</b>

## 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 2018.

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

Following the implementation of IFRS 16, Aprila has recognised a "right to use" asset and a lease obligation of NOK 2 million as of 1 January 2019. In November 2019 the bank extended the lease, both in terms of space and duration, and recognised an additional NOK 3.4 million in "right to use" asset.

The interim report was authorised for issue by the bank's board of directors on 12 February 2020.

#### 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 Loans to customers

### LOANS TO CUSTOMERS

Amounts in NOK thousand	31.12.2019	31.12.2018
Non-recourse factoring	35 442	40 671
Credit line	6 701	0
<b>Gross lending</b>	<b>42 143</b>	<b>40 671</b>
Impairment of loans	1 258	1 052
<b>Net loans to customers</b>	<b>40 885</b>	<b>39 619</b>

### DEFAULTS AND LOSSES

Amounts in NOK thousand	31.12.2019	31.12.2018
<b>Gross defaulted loans</b>	<b>1 533</b>	<b>858</b>
Write-downs stage 1	101	122
Write-downs stage 2	69	162
Write-downs stage 3	1 087	768
<b>Net defaulted loans</b>	<b>275</b>	<b>-194</b>

### LOAN LOSS PROVISIONS IN THE PERIOD

Amounts in NOK thousand	Q4 2019	Q4 2018	2019	2018
Write-downs stage 1	19	70	-20	122
Write-downs stage 2	-34	158	-92	162
Write-downs stage 3	511	768	319	768
<b>Total write-downs on loans in the period</b>	<b>497</b>	<b>997</b>	<b>206</b>	<b>1 052</b>
Realised losses in the period	427	0	2 571	0
<b>Losses on loans in the period</b>	<b>924</b>	<b>997</b>	<b>2 777</b>	<b>1 052</b>

### AGEING OF LOANS

Amounts in NOK thousand	31.12.2019	31.12.2018
Loans not past due	29 682	23 317
Past due 1 - 30 days	9 865	11 845
Past due 31 - 60 days	647	4 701
Past due 61 - 90 days	518	643
Past due 91+ days	1 431	166
<b>Total</b>	<b>42 143</b>	<b>40 671</b>

### AGEING OF LOANS

Per cent	31.12.2019	31.12.2018
Loans not past due	70%	57%
Past due 1 - 30 days	23%	29%
Past due 31 - 60 days	2%	12%
Past due 61 - 90 days	1%	2%
Past due 91+ days	3%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## GROSS LOANS TO CUSTOMERS

Amounts in NOK thousand	Stage 1	Stage 2	Stage 3	Total
<b>Gross loans to customers as of 30 September 2019</b>	<b>28 592</b>	<b>2 442</b>	<b>900</b>	<b>31 934</b>
Transfers from Stage 1 to Stage 2	-531	529	0	-2
Transfers from Stage 1 to Stage 3	-552	0	461	-91
Transfers from Stage 2 to Stage 3	0	-536	534	-2
Transfers from Stage 3 to Stage 2	0	0	0	0
Transfers from Stage 3 to Stage 1	0	0	0	0
Transfers from Stage 2 to Stage 1	0	0	0	0
New financial assets issued or purchased	39 222	859	102	40 183
Financial assets derecognised in the period	-27 508	-1 906	-464	-29 878
<b>Gross loans to customers as of 31 December 2019</b>	<b>39 222</b>	<b>1 389</b>	<b>1 533</b>	<b>42 143</b>

## LOAN LOSS ALLOWANCES

Amounts in NOK thousand	Stage 1	Stage 2	Stage 3	Total
<b>Loan loss allowance as of 30 September 2019</b>	<b>82</b>	<b>103</b>	<b>576</b>	<b>761</b>
Transfers from Stage 1 to Stage 2	-4	63	0	59
Transfers from Stage 1 to Stage 3	-28	0	422	394
Transfers from Stage 2 to Stage 3	0	-34	280	246
Transfers from Stage 3 to Stage 2	0	0	0	0
Transfers from Stage 3 to Stage 1	0	0	0	0
Transfers from Stage 2 to Stage 1	0	0	0	0
New financial assets issued or purchased	101	6	103	211
Financial assets derecognised in the period	-50	-69	-293	-413
<b>Loan loss allowance as of 31 December 2019</b>	<b>101</b>	<b>69</b>	<b>1 087</b>	<b>1 258</b>

### Note 3 Regulatory capital

Amounts in NOK thousand	31.12.2019	Reported <sup>1</sup> 31.12.2018	Adjusted <sup>2</sup> 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
<b>Total equity</b>	<b>92 202</b>	<b>127 501</b>	<b>127 501</b>
Other intangible assets	-12 700	-5 838	-5 838
AVA adjustment	-45	0	0
Deferred tax assets	0	0	0
<b>Common equity tier 1 (CET 1)</b>	<b>79 456</b>	<b>121 663</b>	<b>121 663</b>
<b>Tier 1 capital</b>	<b>79 456</b>	<b>121 663</b>	<b>121 663</b>
<b>Total capital</b>	<b>79 456</b>	<b>121 663</b>	<b>121 663</b>
<b>RISK-WEIGHTED ASSETS</b>			
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
<b>Credit risk</b>	<b>56 230</b>	<b>51 719</b>	<b>45 044</b>
Operational risk	9 669	16 067	16 067
<b>Risk-weighted assets</b>	<b>65 899</b>	<b>67 785</b>	<b>61 111</b>
<b>Capital ratios</b>			
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%
<b>LIQUIDITY COVERAGE RATIO (%)</b>			
Per cent	<b>31.12.2019</b>	31.12.2018	31.12.2018
LCR	2162%	217%	217%

<sup>1)</sup> Reported figures

<sup>2)</sup> Adjusted for the SME-factor which was implemented 31 Dec 2019 when CRR/CRD IV entered into force in Norway.

## Note 4 Loans and deposits with credit institutions

Amounts in NOK thousand	31.12.2019	31.12.2018
Loans and deposits with credit institutions	60 593	54 639
<b>Total</b>	<b>60 593</b>	<b>54 639</b>

## Note 5 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

#### FINANCIAL INSTRUMENTS AT FAIR VALUE

Amounts in NOK thousand	31.12.2019	31.12.2018
Intitial recognition	45 000	30 000
Change in fair value	470	112
<b>Total financial assets at fair value</b>	<b>45 470</b>	<b>30 112</b>

### Financial instruments at amortised cost

Amounts in NOK thousand	31.12.2019	31.12.2018
Loans and deposits with credit institutions	60 593	54 639
Net loans to customers	40 885	39 619
<b>Total financial assets at amortised cost</b>	<b>101 478</b>	<b>94 258</b>

## Note 6 Receivables and other liabilities

### RECEIVABLES

Amounts in NOK thousand	31.12.2019	31.12.2018
Skattefunn tax deduction claim	3 434	2 007
Other receivables	1 088	220
<b>Total receivables</b>	<b>4 522</b>	<b>2 226</b>

### OTHER LIABILITIES

Amounts in NOK thousand	31.12.2019	31.12.2018
Payables to suppliers	4 916	1 346
Payables to factoring customers and partners	395	531
Social security tax	1 227	859
Other liabilities	9 104	3 263
<b>Total other liabilities</b>	<b>15 642</b>	<b>5 999</b>

## Note 7 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
<b>Total general administrative expenses</b>	<b>5 591</b>	<b>2 493</b>	<b>14 828</b>	<b>9 338</b>

## Note 8 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 9 Shareholders

### 20 LARGEST SHAREHOLDERS AS REGISTERED IN VPS 29 JANUARY 2020

Shareholder	Shares	Per cent
1 AMESTO GROUP AS	3 618 182	10.0%
2 ALLIANCE VENTURE SPRING AS	2 824 406	7.8%
3 PRIMERA AS	1 600 000	4.4%
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	800 000	2.2%
12 ØSD FINANS AS	800 000	2.2%
13 UNIVERSAL PRESENTKORT AS	797 699	2.2%
14 SES AS	797 699	2.2%
15 DISRUPTOR AS	700 000	1.9%
16 AREPO AS	658 102	1.8%
17 SVINDAL AKSEL LUND	650 000	1.8%
18 INCHOATE AS	610 000	1.7%
19 ENIMAE AS	600 000	1.7%
20 SPORTSMAGASINET AS	584 997	1.6%
Others	13 248 733	36.6%
<b>Total</b>	<b>36 220 084</b>	<b>100%</b>



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