

Aprila

Aprila Bank ASA | Q1 2021 | 12 May 2021

Disclaimer

Forward-looking statements



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.

This presentation does not imply that Aprila Bank has undertaken to revise these forward-looking statements, beyond what is required by applicable law or other applicable regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.



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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

Embedded in the accounting systems of ~130,000 SMEs

- Commenced operations in Q2 2018, launching spot factoring embedded in Tripletex (online accounting system)
- Credit line up to NOK 500k launched in Tripletex on 16 Dec 2019 and in own channels (kasskreditt.no) 20 Dec 2019

Key Performance Indicators

of platform customers **3,644**
(9 May 2021)³

Gross revenue run-rate **53**
(NOK million, annual run-rate, March 2020)

Gross margin **67%**
(Q1 21)⁴

Job creation **1,087**
(Total # jobs Aprila has contributed to preserving or creating since inception)

Highlights Q1 2021

Summary



Q1 21

NOKm	Q4 20	Q1 21
Gross loans	184	213
Gross income from lending	10.1	11.6
Total income	7.4	8.7
Pre-tax operating profit	-16.2	-15.2
Yield on avg. net loans	27 %	24 %

LTM

NOKm	LTM ending	
	Q1 20	Q1 21
Gross loans	58	213
Gross income from lending	11.8	31.1
Total income	8.6	22.6
Pre-tax operating profit	-39.2	-55.2
Yield on avg. net loans	31 %	25 %

3X gross income growth YoY and 15% QoQ

- Aprila's gross income from lending grew to NOK 11.6 million, an increase of 200% YoY and 15% QoQ
- Gross loans at the end of the quarter amounted to NOK 213 million, an increase of 265% YoY and 16% QoQ
- Purchased amount in the quarter amounted to NOK 158 million; 62% gain YoY and a decline of 19% QoQ

High loan losses

- NOK 7 million in loan losses in Q1, corresponding to 61% of gross income from lending, vs. target of 25%
- Driven by fraudulent invoices from a limited number of customers
- Fraud loopholes have been closed, and credit risk has been reduced

Loan aggregators are entering the Norwegian market for business loans

- Rapidly growing number of leads to Aprila from Zmarta
- Axo Finans operational from May
- Sambla signed in May

B2B eCom solution launched

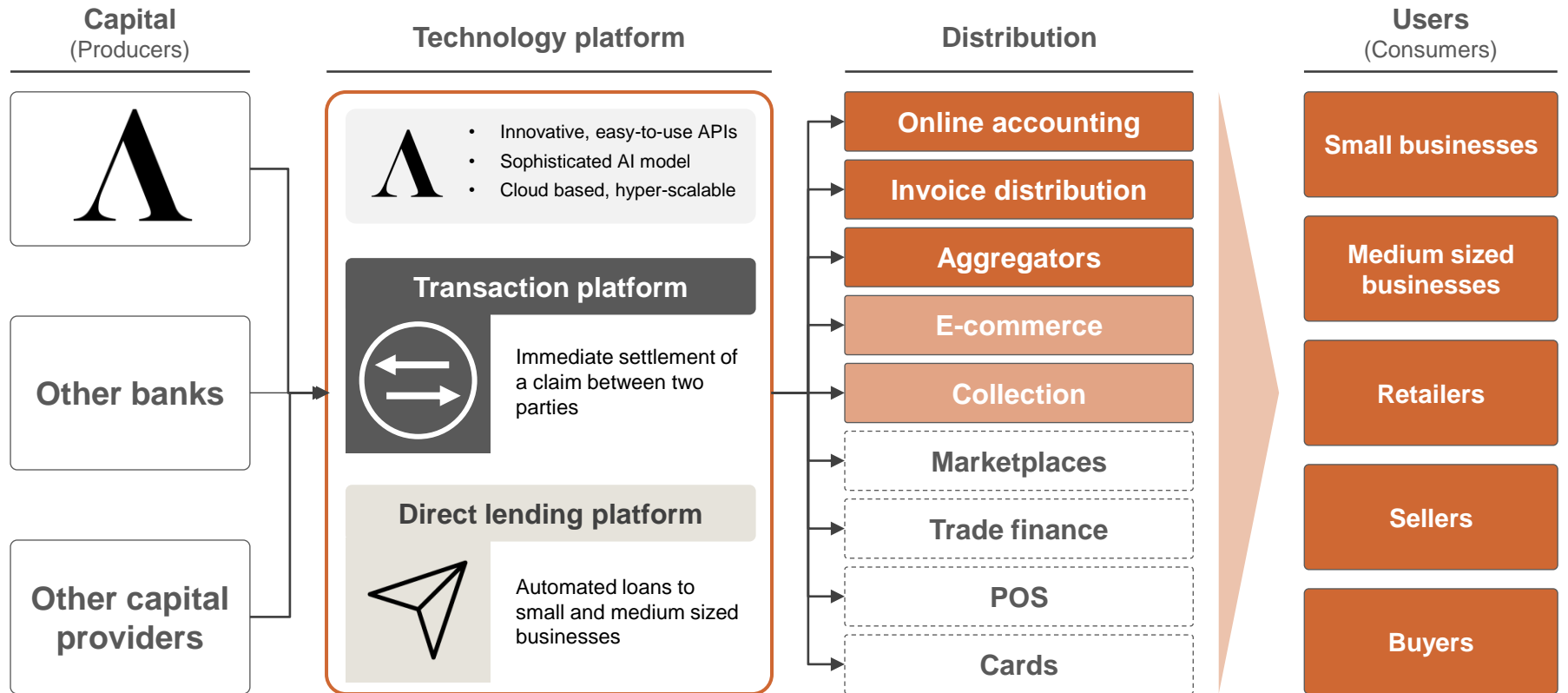
- Tillit.ai: First eCom claim purchased 6 May 2021

All-time high number of credit line applications

- Aprila received an all-time-high of 1,645 credit line applications in Q1, an increase of 92% YoY and 33% QoQ
- This was despite moderate marketing spend, and resulted in a CAC < 4,000 NOK

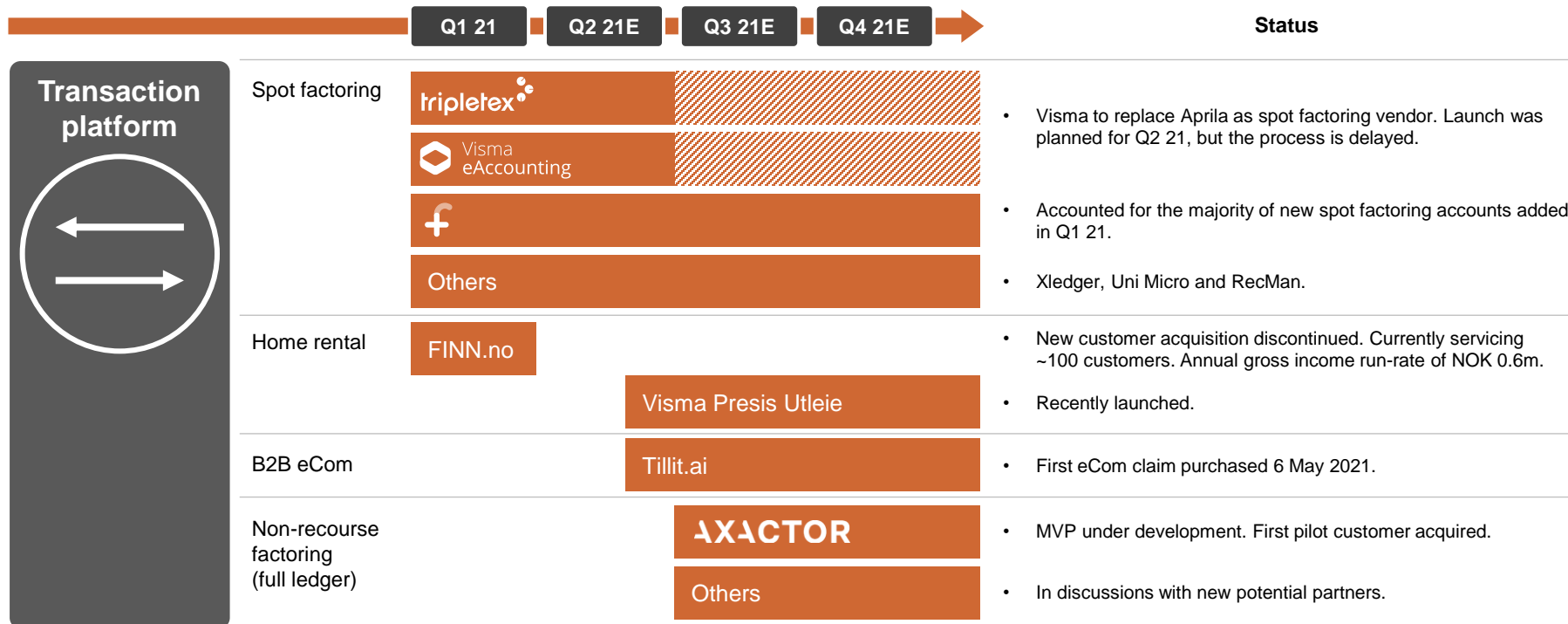
Technology company with a banking license

Building a scalable platform for SME business enablement through embedded finance



Transaction platform | Distribution status

Visma is delayed. New products and distribution channels are being considered and developed.



Direct lending platform | Distribution status

The loan aggregators have finally entered the market for business loans

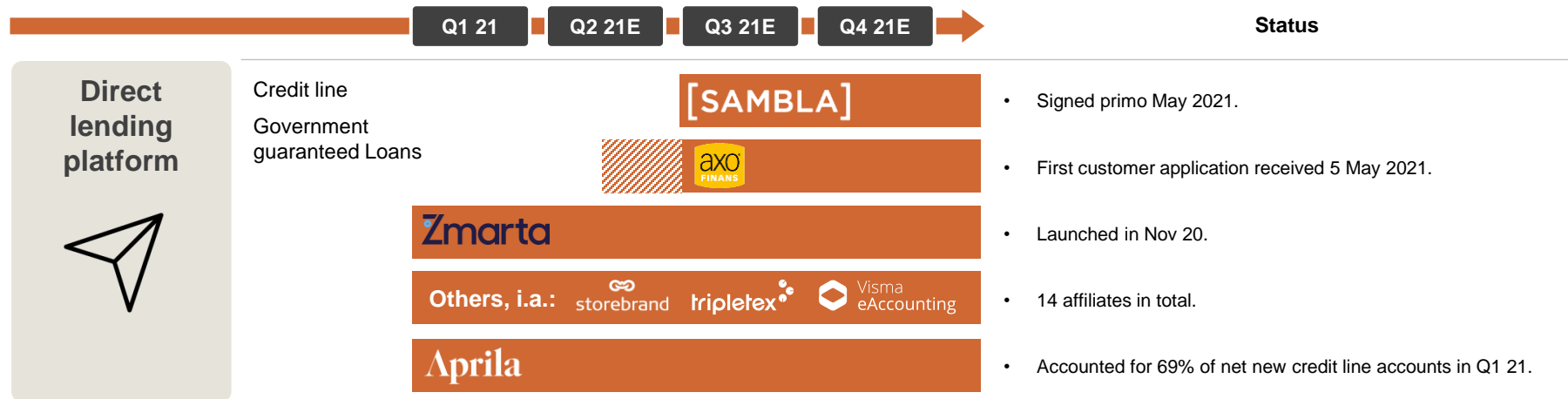


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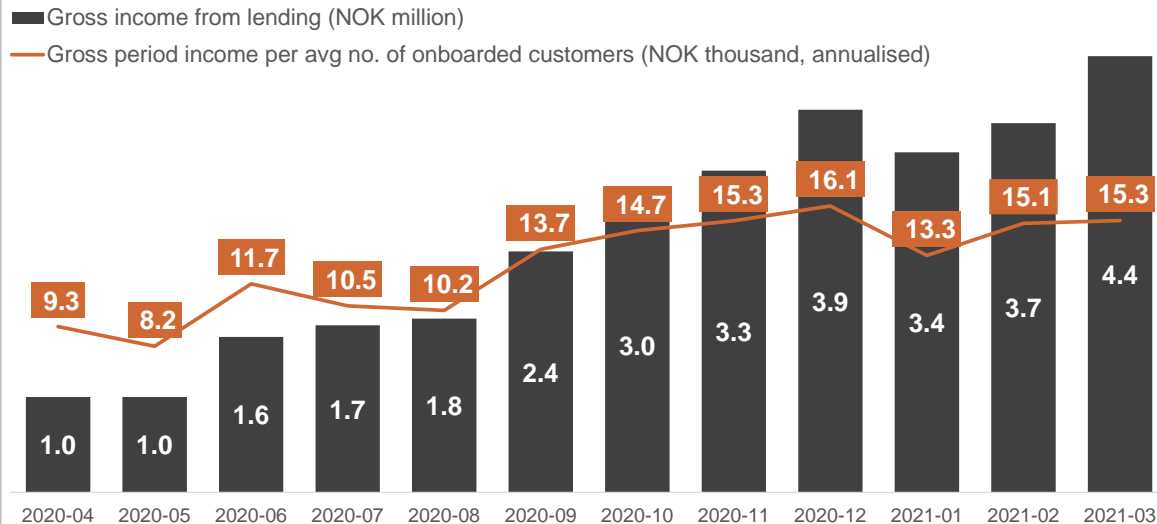


Gross income run-rate

NOK 53m in gross income run-rate in March



Gross income from lending (NOK million) and gross income per customer (NOK thousand)



of unique customers

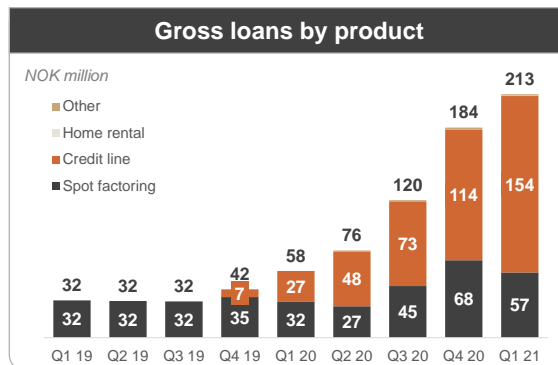
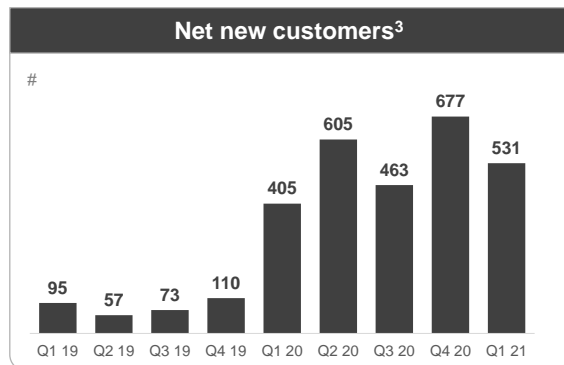
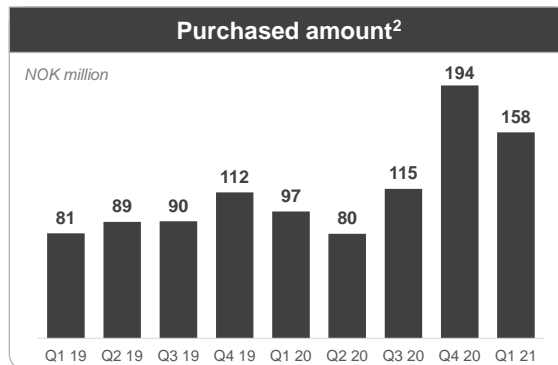
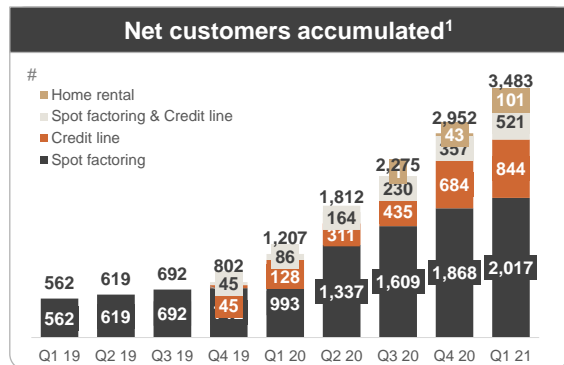
1,311	1,454	1,812	1,977	2,065	2,275	2,476	2,706	2,952	3,127	3,310	3,483
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Key comments

- April's gross income from lending grew by 15% in the first quarter, to NOK 11.6 million.
- Following two weak months in January and February, gross income came in at an all-time high of NOK 4.4 million in March, corresponding to an annual run-rate of NOK 53 million.
- This represents a growth of 4.5% monthly and 69% annually.

Key figures

3,483 customers and NOK 213m in gross loans at EOP

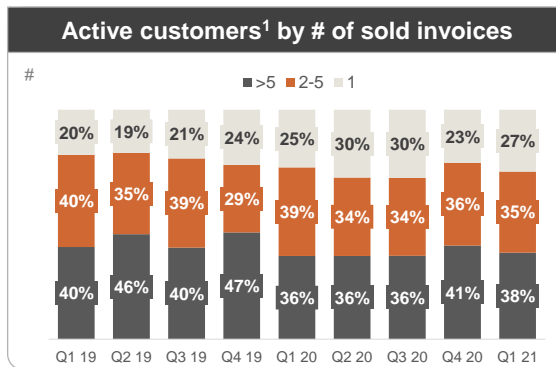
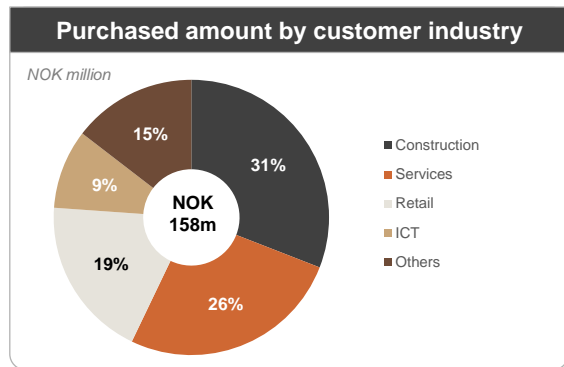


Key comments

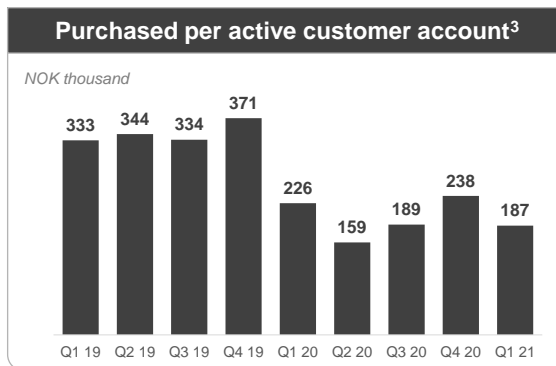
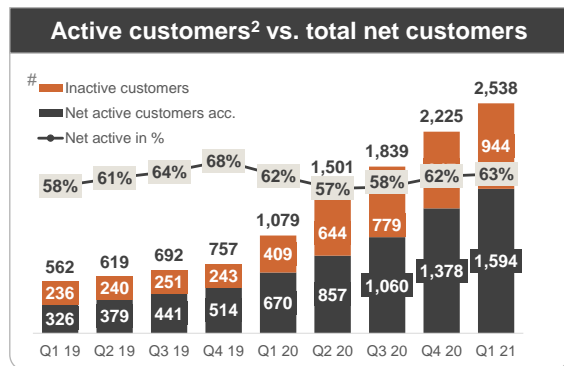
- 3,483 lending customers at EOP
 - Growth rate of 189% YoY and 18% QoQ
- Net 531 new customers in Q1
 - Aprila's own channels accounted for 33% of the customers added in the quarter, followed by Fiken (25%), Visma eAccounting (14%), Tripletex (9%) and other channels (19%).
 - The share of new customers from other sources than Visma-owned distribution channels has increased from 8% in Q1 20 to 76% in Q1 21
- NOK 158m purchased
 - 62% gain YoY and a decline of 19% QoQ
 - The QoQ decline was driven by lower invoicing volumes (-12%) and a lower approval rate (51% in Q1 21 vs. 60% in Q4 20).
- NOK 213m in gross loans at EOP of which credit line accounted for 72%

Spot factoring | Active customers

63% of the spot factoring customers have sold invoices



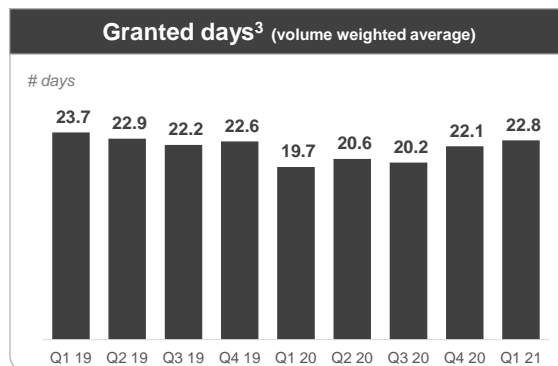
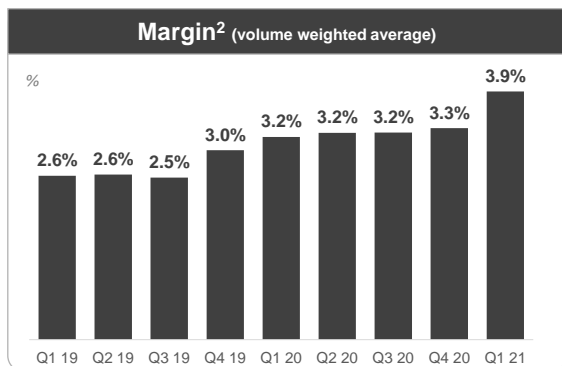
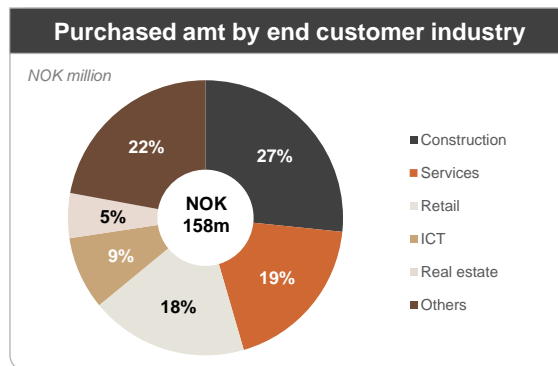
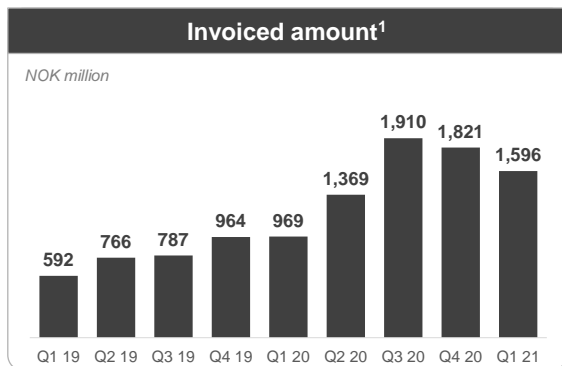
- ### Key comments
- Construction, services and retail accounted for 76% of purchased amount in Q1 (78% in Q4 20)
 - 73% of the active customers sold two invoices or more (77% in Q4 20)
 - 1,594 of 2,538 open customer accounts (63%) had sold invoices at EOP
 - 846 customers sold invoices in Q1 (816 in Q4 20)
 - NOK 187k purchased per customer active in the period (NOK 238k in Q4)



Note 1: Active customers = customers who have sold one invoice or more. || Note 2: Net active customers acc. = Active customer accounts at EOP. || Note 3: Purchased amount in the period divided by customers active in the period.

Spot factoring | Key invoice figures

Improved margin and take-up rate



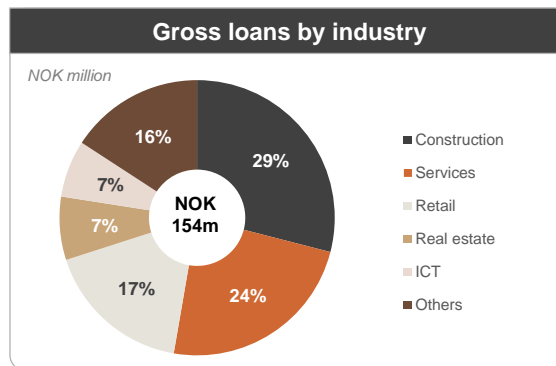
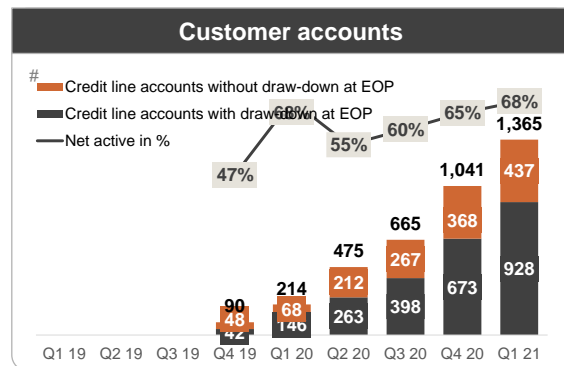
Key comments

- Estimated available invoiced amount¹ in Q1 amounted to NOK 1.6 bn
- With a purchased amount of NOK 158 million, the conversion rate⁴ (in NOK) was 10% (11% in Q4)
- VWA margin: 3.9% (3.3% in Q4)
- VWA granted days: 22.8 (22.1 in Q4)
- Aprila's income relative to its customers' invoice volumes ('invoice cut') improved from 0.35% to 0.38% as a result of a higher take-up rate and an increased margin

Note 1: Estimated invoiced amount available to Aprila. || Note 2: Gross interest and fee income in % of purchased amount, not accounting for accruals. || Note 3: Volume weighted average number of due days granted to end customers on invoices purchased in the period. || Note 4: Conversion rate = Purchased in % of invoiced.

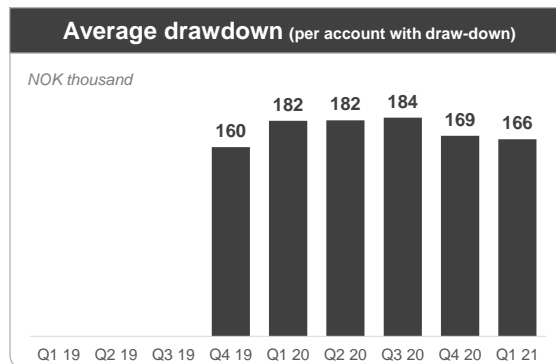
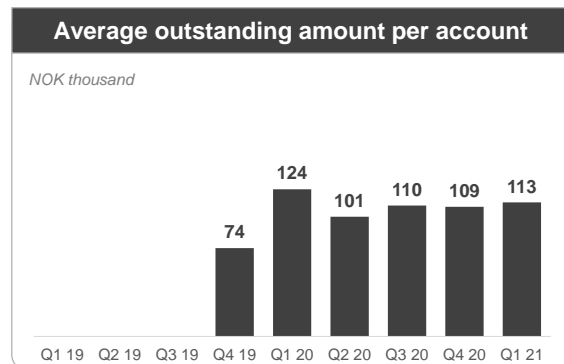
Credit line | Key figures

1,365 credit line accounts opened since medio December 2019



Key comments

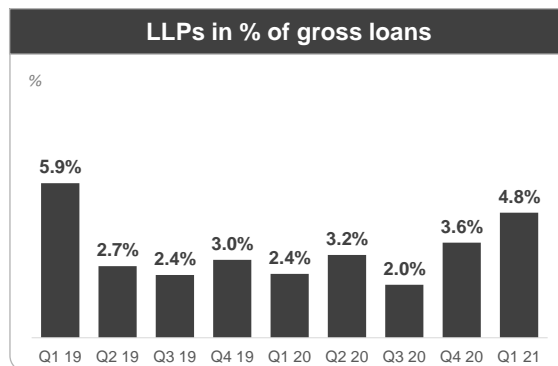
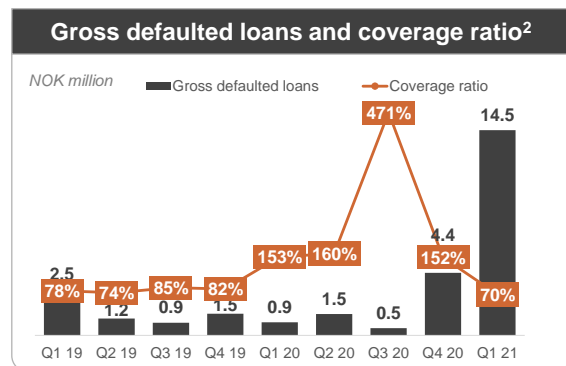
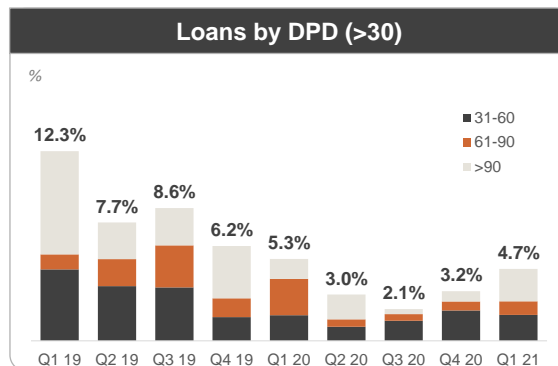
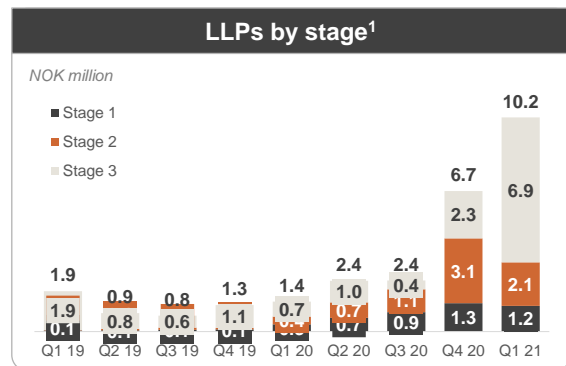
- 1,365 credit line accounts at EOP
- NOK 113k outstanding per account at EOP
- On average NOK 166k drawn by customers with draw-down



Loan losses and provisions



Loan impairments and losses of NOK 7.0m in Q1 of which NOK 2.6m in extraordinary losses as reported in Q4



Key comments

- LLPs of NOK 10.2m / 4.8% of gross loans at EOP
 - Credit line: 54% (59%)
 - Spot factoring: 46% (41%)
 - DPD >30: 4.7% of gross loans (3.2%)
 - Gross defaulted loans were NOK 14.5m (4.4m)
 - Credit line: NOK 9.7m (67%)
 - of which NOK 3.0m with 90% government guarantee
 - Spot factoring: NOK 4.8m (33%)
 - Coverage ratio² of 70% (152%)
 - Total loan losses of NOK 7.0m in Q1 of which NOK 2.6m in changes in LLPs and NOK 4.4m in net realised losses
 - Loan losses in % of gross income from lending Q1 21: 61%
- NOK 2.6m of the loan losses relates to the extraordinary losses as reported in the interim report for Q4.
 - Adjusted for this, loan losses amounted to NOK 4.4m (38% of gross income from lending)

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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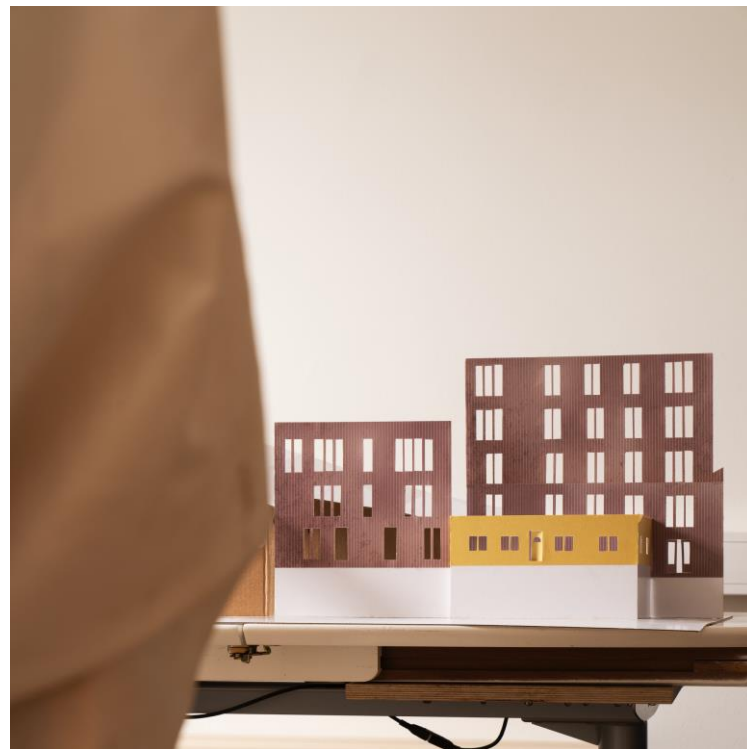
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Q2 – Q3 2021

Improve profitability

- Reduce loan losses: Fully implement learnings from all historical losses, and optimise credit algorithms to simultaneously reduce credit risk and increase onboarding rates
- Credit line: continue to improve the risk-based pricing model for credit line and convert a continuously increasing share of the current customer accounts to the new model

Strengthen distribution

- Direct lending platform: continue to enhance customer acquisition and reduce customer acquisition cost by adding new partners and improving the accuracy of the marketing spend
- Transaction platform: validate the current set of growth opportunities and double down on the most promising opportunities
- Ramp up direct sales towards attractive customer segments

Continue to build competitive advantage

- Continue to streamline customer onboarding (SAF-T upload, SMS notifications etc.)
- Implement bank account information into real-time evaluation of credit line applications

Financial outlook

Short-term setback due to Visma exit



	YE 2020	Q1 21	YE 2021E	Key drivers
Gross revenue Annual run-rate ¹ (NOK)	47.0	53.0	70 - 100	<ul style="list-style-type: none">• Increased interest income on credit line• New products• Visma exit
Gross margin bf. loan losses (LTM) ²	60%	63%	>65%	<ul style="list-style-type: none">• Improved profitability on credit line
Job creation (Since inception)	836	1,087	1,600	<ul style="list-style-type: none">• New and existing SME customers

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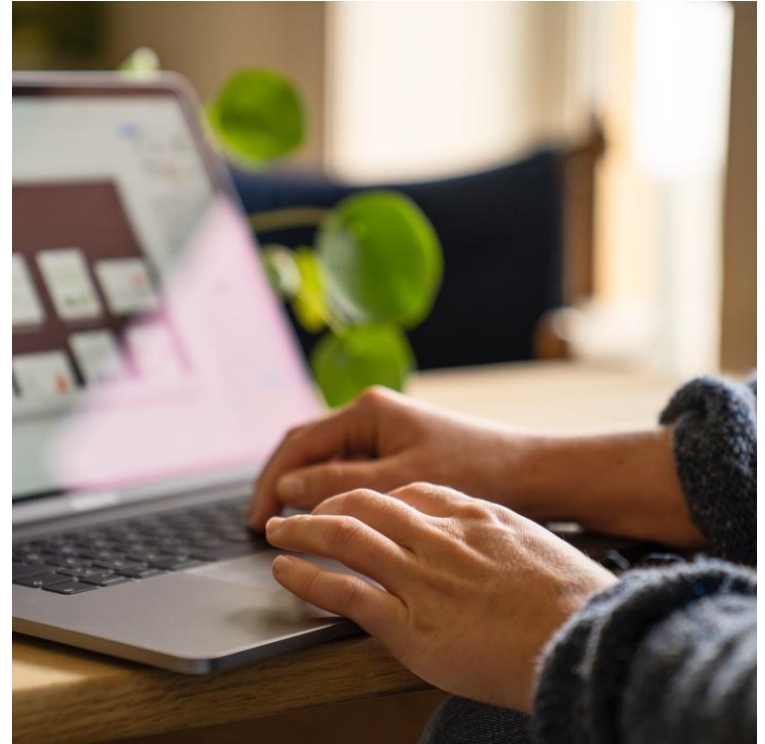
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Income statement & general administrative expenses

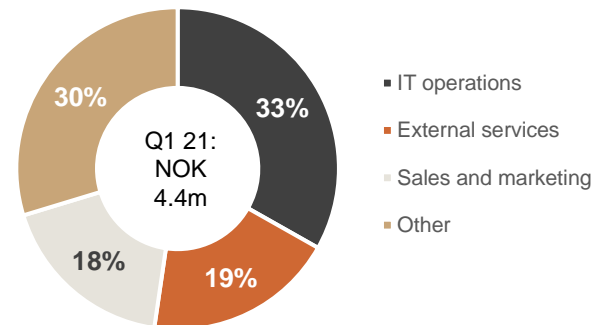


Income Statement

<i>Amounts in NOK thousand</i>	Q1 2021	Q1 2020	2020
Interest income	11,296	3,858	22,754
Interest expense	1,064	356	2,144
Net interest income	10,233	3,501	20,610
Income commissions and fees	303	135	785
Expenses commissions and fees	2,454	1,082	5,607
Net commissions and fees	-2,151	-947	-4,822
Net gains / losses (-) on certificates, bonds and currency	655	-1	613
Other income	0	0	0
Total income	8,737	2,553	16,401
Salary and other personnel expenses	10,470	7,313	33,278
General administrative expenses	4,402	5,355	21,011
Total salary and administrative expenses	14,872	12,668	54,289
Ordinary depreciation	2,069	1,499	7,147
Total operating expenses excl. losses on loans	16,941	14,166	61,436
Losses on loans	7,043	1,152	7,715
Pre-tax operating profit	-15,247	-12,765	-52,749
Tax	0	0	0
Profit after tax	-15,247	-12,765	-52,749

General administrative expenses

<i>Amounts in NOK thousand</i>	Q1 2021	Q1 2020	2020
External services	842	2,518	6,122
IT operations	1,461	920	4,764
Rental of premises	56	59	334
Sales and marketing	792	987	6,304
Credit information	269	117	761
External audit and related services	444	219	350
Credit insurance	64	52	349
Other operating expenses	474	483	2,028
Total general administrative expenses	4,402	5,355	21,011



Balance sheet & regulatory capital



Balance Sheet

<i>Amounts in NOK thousand</i>	31.03.2021	31.12.2020	31.03.2020
Loans and deposits with credit institutions	26,527	76,651	38,029
Net loans to customers	202,478	176,860	56,785
Certificates and bonds	156,485	155,832	45,531
Other intangible assets	18,077	19,183	17,444
Deferred tax assets	0	0	0
Fixed assets	3,475	4,029	5,668
Other receivables	6,941	6,387	6,990
Total assets	413,983	438,942	170,447
Deposits from and debt to customers	302,713	311,920	75,564
Other debt	14,270	14,924	15,358
Total liabilities	316,983	326,844	90,922
Share capital	44,631	44,590	36,257
Share premium	190,545	190,545	127,036
Unregistered Share capital	0	40	0
Other paid-in equity	2,591	2,442	1,769
Retained earnings	-140,767	-125,520	-85,536
Total equity	96,999	112,098	79,525
Total equity and liabilities	413,983	438,942	170,447

Regulatory capital

<i>Amounts in NOK thousand</i>	31.03.2021	31.12.2020	31.03.2020
Share capital	44,631	44,590	36,257
Share premium	190,545	190,545	127,036
Other equity	-138,177	-123,038	-83,767
Total equity	96,999	112,098	79,525
Other intangible assets	-18,077	-19,183	-17,444
AVA adjustment	-156	-156	-46
Deferred tax assets	0	0	0
Common equity tier 1 (CET 1)	78,765	92,759	62,036
Tier 1 capital	78,765	92,759	62,036
Total capital	78,765	92,759	62,036
Risk-weighted assets			
Loans and deposits with credit institutions	5,305	15,330	7,606
Loans to customers	139,852	122,992	43,202
Certificates and bonds	2,519	6,002	1,499
Other assets	10,416	10,416	12,658
Credit risk	158,092	154,740	64,965
Operational risk	16,728	16,728	9,669
Risk-weighted assets	174,820	171,468	74,634
Common equity tier 1 ratio (%)	45.1%	54.1%	83.1%
Tier 1 ratio (%)	45.1%	54.1%	83.1%
Total capital ratio (%)	45.1%	54.1%	83.1%
Leverage ratio (%)	19.2%	21.6%	39.8%
LCR	1433%	1418%	1581%

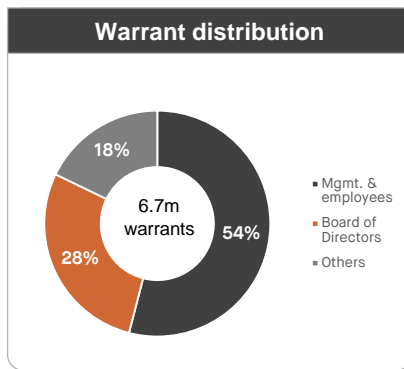
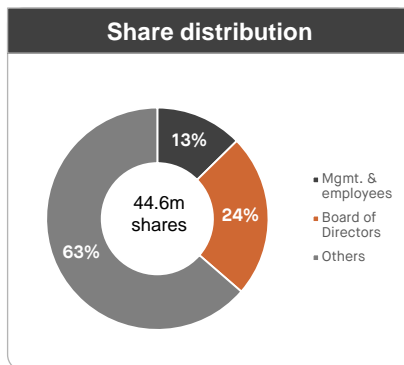
Ownership & warrant structure¹

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	4,284,848	9.6 %	1,875,000
2	ALLIANCE VENTURE SPRING AS	Bente Loe	Board member	3,174,406	7.1 %	
3	SES AS	Bertel Steen	Board member	2,868,686	6.4 %	
4	MP PENSJON PK			1,930,329	4.3 %	
5	STROMSTANGEN AS			1,817,622	4.1 %	
6	PRIMERA AS	Per Christian Goller	Chief Growth Officer	1,630,000	3.7 %	1,750,000
7	REDIVIVUS AS			1,154,008	2.6 %	
8	FJ LABS			1,099,400	2.5 %	
9	A HOLDINGS AS			1,074,545	2.4 %	
10	AREPO AS			907,747	2.0 %	
11	UNIVERSAL PRESENTKORT AS			897,699	2.0 %	
12	SIRKELBUE AS	Karl Erik Asbjørnsen	Technologist	800,000	1.8 %	500,000
13	ØSD FINANS AS	Øystein Dannevig	Chief Decision Scientist	800,000	1.8 %	
14	SIX SIS AG			777,470	1.7 %	
15	CHRISTIANIA SKIBS AS			765,000	1.7 %	
16	NORDIC PRIVATE EQUITY AS			750,000	1.7 %	
17	DISRUPTOR AS	Israr Khan	Chief Product & Tech Officer	730,000	1.6 %	600,000
18	ENIMAE AS			672,300	1.5 %	
19	INCHOATE AS			610,000	1.4 %	500,000
20	STRIGEN AS			608,798	1.4 %	
21	NORUS AS			591,530	1.3 %	
22	ELIGERE AS	Lene Gridseth	Chief Operating Officer	573,200	1.3 %	375,000
23	SPORTSMAGASINET AS			572,697	1.3 %	
24	KLØVNINGEN AS			535,350	1.2 %	
25	BLUE MOUNTAIN CAPITAL AS	Kjetil S. Barli	Chief Financial Officer	530,000	1.2 %	375,000
26	ASTEROIDEBAKKEN AS			522,105	1.2 %	
27	SIDEKICK INVEST AS			500,000	1.1 %	375,000
28	KNUDSEN			481,242	1.1 %	
29	SANDSOLO HOLDING AS			472,900	1.1 %	
30	FOUGNER INVEST AS			448,511	1.0 %	
	Others			12,050,522	27.0 %	312,500
	Total			44,630,915	100.0 %	6,662,500

Note 1: As registered in VPS 7 May 2021.

Aprila