



Aprila Bank ASA | Q2 2018 | 16 August 2018

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.

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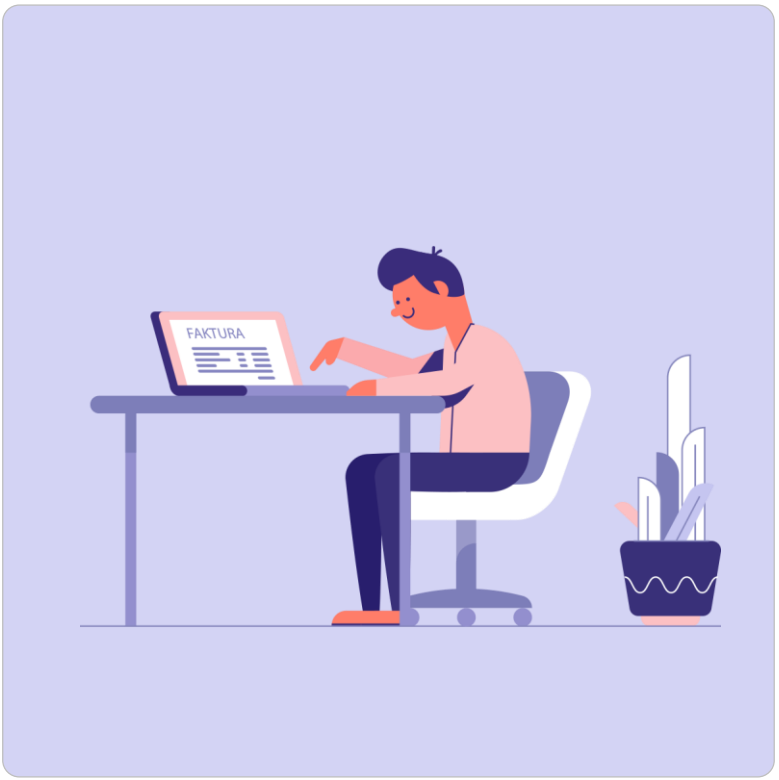
Overview



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A digital bank for SMB

Hypothesis put to practice, and it is working.



- **Innovative distribution model**

Re-bundling of banking through integration with established ERP solutions and a cost effective B2B agent model for ERP-partners and other relevant distribution agents.

- **Instant onboarding**

Setting a new standard for on-boarding of corporate banking customers, making factoring and other working capital products available for a new market.

- **Introducing new products**

Spot factoring and vendor payment with risk-adjusted and real-time pricing. Automatically booked in the accounting system.

- **Tailored modern technology platform**

Advanced, flexible and highly scalable architecture developed in-house.

- **Highly data driven**

Access to up-to-date accounting data through ERP-integration combined with short end-customer credits provide a unique platform for accelerated collection of credit information, and development of new standards for credit scoring of SMEs.



- **Distribution**
Signed agreements with three ERP system providers; Tripletex, Xledger and one more
- **Tripletex**
Release June 26th, good results during summer. Speeding up further integration
- **Products and distribution**
Products will depend on distribution agreements. Cloud based ERP is core, but also in discussions with several other potential channels
- **Technology company**
Integrations and processes made available by own technology. Highly flexible and modular
- **Data and analysis**
Machine learning project to commence in Q4 – relevant people have been identified
- **Challenges**
Can be displaced – no direct customer relationships. Software development. Depend on a few key people. Ability to price correctly and avoid losses. Distribution agreements take time

Customer feedback

Positive responses



“
Flott integrasjon med Tripletex. Skal mye til å få det bedre enn dette!»

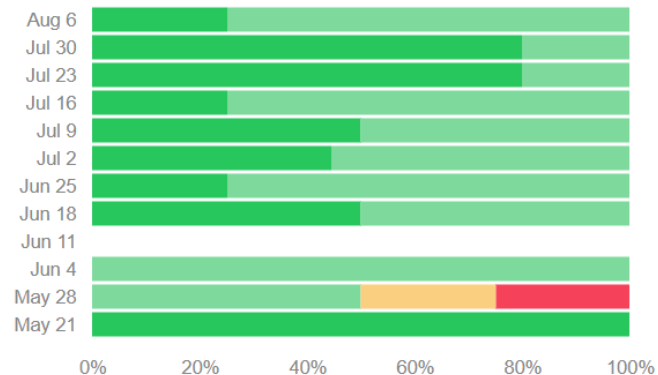
“
Jeg synes det er et kongeprodukt dere har.

“
Regnskapsføreren min anbefalte meg å sjekke dere ut siden dere har så enkel bokføring inne i Tripletex.

“
Meget positivt. Absolutt noe jeg kommer til å anbefale videre.

Conversation ratings ⓘ

96% 😊 or 😍 ▲ 6% from previous 84 days



Source: Intercom

Organisation

14 team members in place – 15 from November 1st



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Overview



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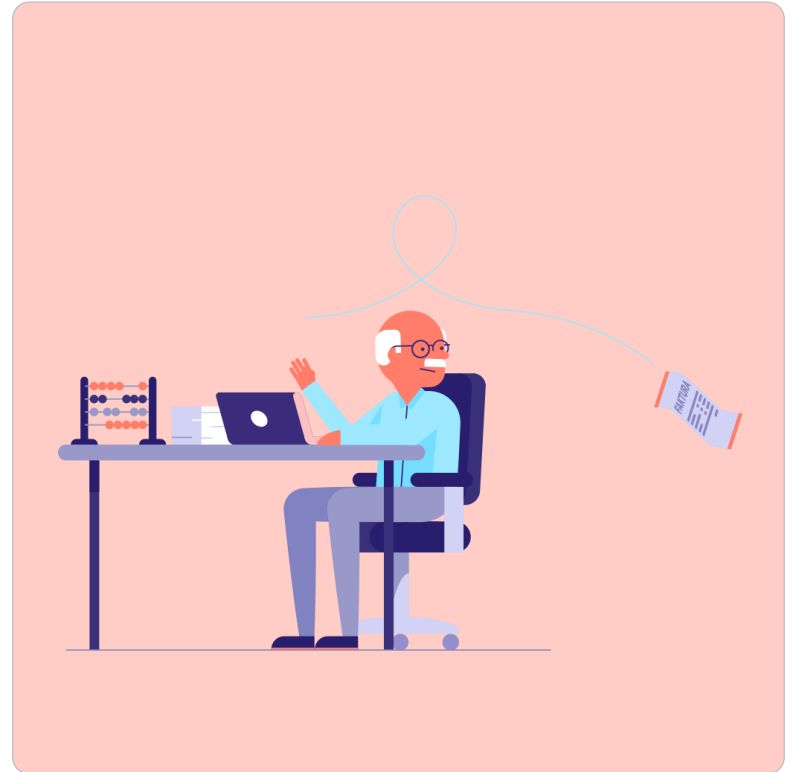
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Key figures

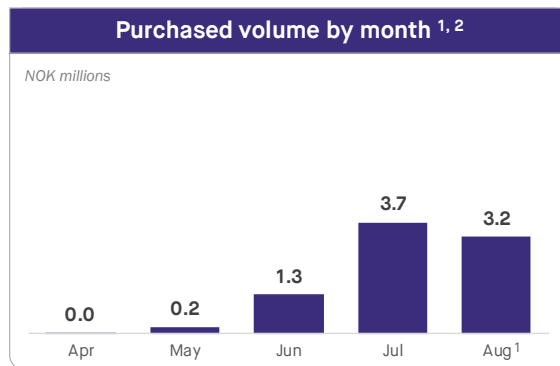
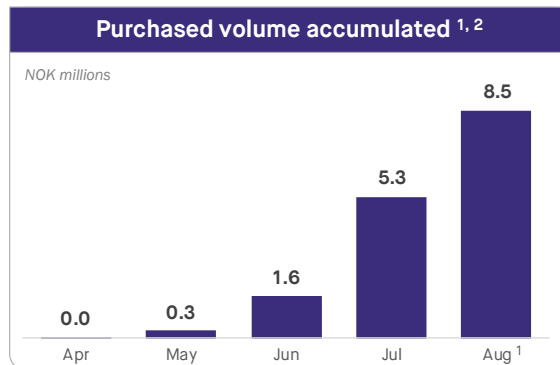
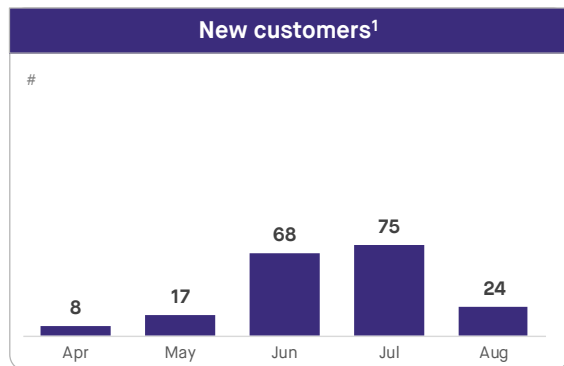
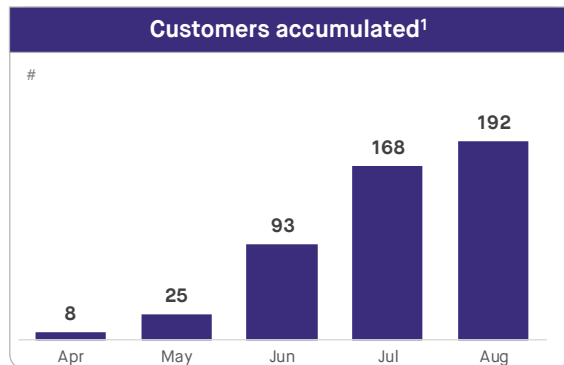
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Appendix



Key figures

YTD 2018 (11 April – 14 August)



Key comments

- Piloting of Aprila Invoice Sales in Tripletex commenced 11 April
- From 11 April to 25 June, the product was gradually rolled out to new users, before proceeding with full-scale launch 26 June
- At EOB 14 August we had 192 customers, of which ~75% onboarded during the last seven weeks after launch
- Purchased volume has picked up significantly after launch and continues to increase
 - During July, the volume was stable around NOK 0.7 – 0.9 million per week
 - The previous weekly record was doubled last week (w32) with NOK 1.8m in purchased volume

Key customer figures

Customer growth better than expected



	Business plan ¹ 31 Mar 19 First operational year (EOP)	Actual 14 Aug 18 First 1.5 quarters		
CUSTOMERS	Customer exposure Our partners' customers	18,800	~8,500	<ul style="list-style-type: none">• Business plan: 8,800 from first operational quarter (Q2-18), 18,800 from third op. quarter (Q4-18)• Actual: ~8,500 from 26 June, expected ~20,000 from Q4-18, depending on our partners' implementation speed
	Customers #	360	192	<ul style="list-style-type: none">• Business plan: 360 customers at the end of the first operational year (Q1-19)• Actual: 192 half way into the second operating quarter• Monthly run-rates: July: 75 new customers, YTD Aug: ~50 new customers²
	Average annual customer revenue NOKm	6.7	7.3	<ul style="list-style-type: none">• Slightly higher than assumed
	Implied annual potential volume NOKm (Avg. revenue x # of customers EOP)	~2,400	~1,400	<ul style="list-style-type: none">• Ahead of plan

Key invoice figures

Effective interest rate in line with plan - share of customers' revenue lower than assumed, but increasing



	Business plan ¹ Q2-18 – Q1-19 First operational year	Actual Q2-18 – 14-Aug-18 First 1.5 quarters		
INVOICES	Average invoice amount NOK thousand	5.0	20.3	<ul style="list-style-type: none"> • 4x business plan • Implies lower transaction costs but also lower fee income in % of purchased volume
	Purchased % % of customers' revenue purchased by Aprila	40%	~10% ²	<ul style="list-style-type: none"> • During July and so far in August we have purchased ~10% of the available invoice volume (in NOK) in Tripletex vs. assumed 40% • Partly offset by more customers (higher available volume)
	Average interest margin Gross interest income in % of purchased volume	1.95%	2.15%	<ul style="list-style-type: none"> • Business plan: 1.95% per 22 days • Actual: 2.15% per 20 days
	Average margin Gross interest and fee income in % of purchased volume	2.26%	2.19%	<ul style="list-style-type: none"> • Slightly lower than business plan, however offset by lower transaction costs due to higher average invoice amount. Further; fee income from collection notifications will increase going forward • Fee per invoice will be increased from NOK 10 to NOK 29 this week, i.e. fee margin of 0.15% at an average invoice amount of NOK 20k (vs. ~0.05% YTD). Implies an average margin of 2.30% going forward (ceteris paribus)
	Average days outstanding From purchase to payment	22.0	19.9	<ul style="list-style-type: none"> • In line with expectations

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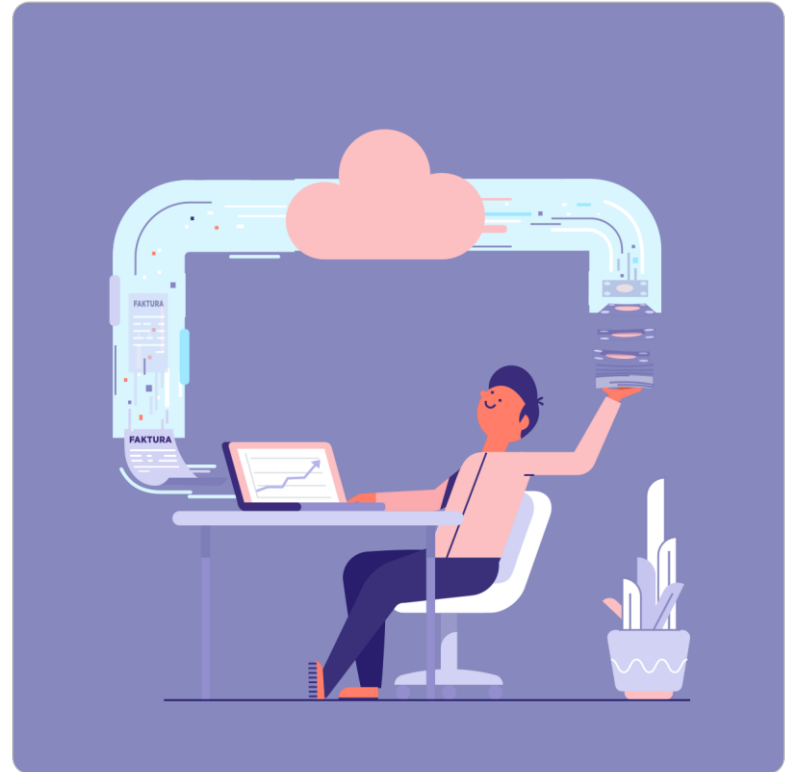
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Key figures

02

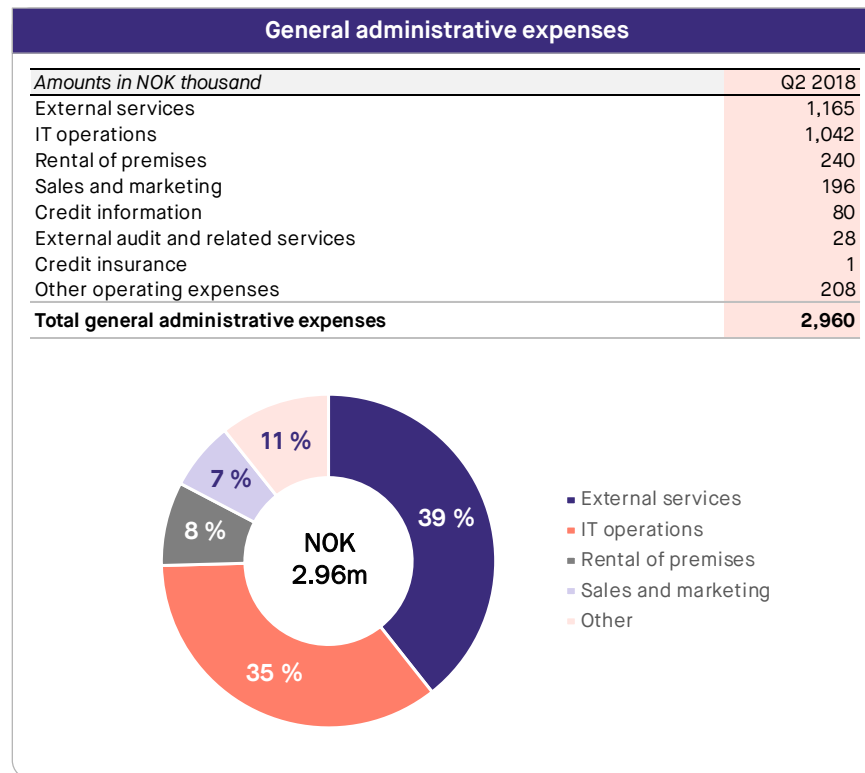
Appendix



Income statement & general administrative expenses



Income Statement		
<i>Amounts in NOK thousand</i>	Q2 2018	YTD 2018
Interest income	314	364
Interest expense	53	53
Net interest income	261	311
Income commissions and fees	1	1
Expenses commissions and fees	10	10
Net commissions and fees	-9	-9
Net gains / losses (-) on certificates, bonds and currency	3	3
Other income	6	6
Total income	261	310
Salary and other personnel expenses	3,269	7,108
General administrative expenses	2,960	4,656
Total salary and administrative expenses	6,229	11,764
Ordinary depreciation	325	351
Total operating expenses excl. losses on loans	6,554	12,115
Losses on loans	1	1
Pre-tax operating profit	-6,293	-11,805
Tax expenses	0	0
Profit after tax	-6,293	-11,805
Earnings per share (NOK)	-0.17	-0.33
Diluted earnings per share (NOK)	-0.15	-0.28



Balance sheet & regulatory capital



Balance Sheet	
<i>Amounts in NOK thousand</i>	30.06.2018
Loans and deposits with credit institutions	103,858
Net loans to customers	986
Certificates and bonds	30,003
Other intangible assets	6,487
Deferred tax assets	0
Fixed assets	1,141
Other receivables	1,794
Total assets	144,269
Deposits from and debt to customers	0
Other debt	2,715
Total liabilities	2,715
Share capital	36,183
Share premium	127,036
Other paid-in equity	43
Retained earnings	-21,707
Total equity	141,554
Total equity and liabilities	144,269

Regulatory capital	
<i>Amounts in NOK thousand</i>	30.06.2018
Share capital	36,183
Share premium	127,036
Other equity	-21,664
Total equity	141,554
Other intangible assets	-6,487
Deferred tax assets	0
Common equity tier 1 (CET 1)	135,068
Tier 1 capital	135,068
Total capital	135,068
Risk-weighted assets	
Loans and deposits with credit institutions	20,772
Loans to customers	986
Certificates and bonds	0
Other assets	2,935
Credit risk	24,693
Operational risk	16,067
Risk-weighted assets	40,760
Capital ratios	
Common equity tier 1 ratio (%)	331.4 %
Tier 1 ratio (%)	331.4 %
Total capital ratio (%)	331.4 %
LCR	1509 %

Key comments

- NOK 30 million invested in the LCR-fund DNB Global Treasury
- All other liquidity currently held as bank deposits
- Other intangible assets consists of investments in core banking platform, our own technology platform, aprila.no and a datawarehouse
- No deferred tax assets recognised as of 30 June 2018

Ownership & warrant structure¹

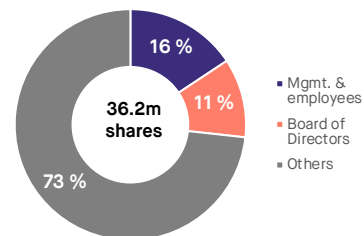
Aligned interests among key stakeholders



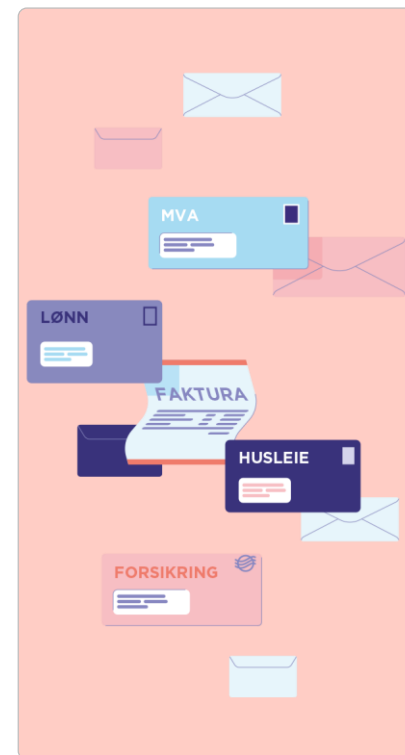
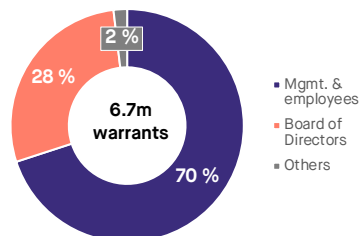
Top 30 shareholders

#	Investor	Name	Role	Ownership		Warrants
				# shares	%	
1	AMESTO GROUP AS	Spandow Family	Chairman	3,618,182	10.0 %	1,875,000
2	ALLIANCE VENTURE SPRING AS			2,193,182	6.1 %	
3	PRIMERA AS	Per Christian Goller	Chief Executive Office	1,600,000	4.4 %	1,750,000
4	MP PENSJON PK			1,596,996	4.4 %	
5	STRØMSTANGEN AS			1,595,400	4.4 %	
6	REDIVIVUS AS			950,000	2.6 %	
7	NORUS AS			877,470	2.4 %	
8	TOLUMA INVEST AS			877,470	2.4 %	
9	SIX SIS AG			877,470	2.4 %	
10	SIRKELBUE AS	Karl Erik Asbjørnsen	Technologist	800,000	2.2 %	500,000
11	SES AS			797,699	2.2 %	
12	UNIVERSAL PRESENTKORT AS			797,699	2.2 %	
13	SANDSOLO HOLDING AS			788,565	2.2 %	
14	COSIMO AS			775,000	2.1 %	
15	SPORTSMAGASINET AS			709,709	2.0 %	
16	DISRUPTOR AS	Israr Khan	Chief Digital Officer	700,000	1.9 %	600,000
17	AREPO AS			658,102	1.8 %	
18	SVINDAL AKSEL LUND			630,852	1.7 %	
19	INCHOATE AS	Heiki Strengelsrud	Chief Customer Office	610,000	1.7 %	500,000
20	NORDIC PRIVATE EQUITY AS			600,000	1.7 %	
21	BERGEN KOMMUNALE PENSJONSKASS			587,747	1.6 %	
22	ELIGERE AS	Lene Gridseth	Chief Operating Office	573,200	1.6 %	375,000
23	DRAGESUND INVEST AS			571,985	1.6 %	
24	SIDEKICK INVEST AS	Katrine Olsen	Chief Risk Officer	500,000	1.4 %	375,000
25	BLUE MOUNTAIN CAPITAL AS	Kjetil S. Barli	Chief Financial Officer	500,000	1.4 %	375,000
26	AS PLEIADENE			478,619	1.3 %	
27	OSMANI VENTURE CAPITAL AS			478,221	1.3 %	
28	ENIMAE AS			400,000	1.1 %	
29	ASTEROIDEBAKKEN AS			319,079	0.9 %	
30	PIIOTARHO AS			263,241	0.7 %	
	Others			9,456,839	26.1 %	312,500
	Total			36,182,727	100.0 %	6,662,500

Share distribution



Warrant distribution



Note 1: As registered in VPS 12 August 2018.

