



Q2

Interim report
April – June 2018

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KEY FIGURES

PURCHASED VOLUME¹⁾

1.6

MNOK

NEW CUSTOMERS

93

AVERAGE MARGIN²⁾

2.20%

AVERAGE DAYS OUTSTANDING³⁾

18.3

TOTAL INCOME

0.3

MNOK

PROFIT AFTER TAX

-6.3

MNOK

¹⁾ Nominal value of invoices purchased in the period.

²⁾ Gross interest and fee income in % of purchased volume, not accounting for accruals.

³⁾ From purchase to payment.

INTERIM REPORT

About Aprila Bank ASA

Aprila Bank offers automated financing solutions to small and medium-sized businesses through partners. The bank started 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 have set a new standard in liquidity financing for Norwegian businesses. Aprila Invoice Sales represents the first fully digital solution for spot sale 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 work flows and funds are paid the following business day at the latest.

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 first operating quarter

Aprila Bank piloted Invoice Sales in April 2018 to a limited group of Tripletex users, gradually rolling out to more users, before proceeding with full-scale launch in late June. At the end of the second quarter, Aprila Bank had onboarded 93 customers, of which 44 signed up during the five days from official launch to end-of-quarter. Consequently, financial and commercial figures contained herein should be seen in context with this fairly short operating window.

Highlights from the first operating quarter are outlined below.

Highlights

- Invoice Sales made available to pilot customers in the ERP system Tripletex, a partner channel for Aprila Bank
- Full scale launch in Tripletex at the end of June
- New partner agreement signed

Financial figures

All figures are prepared and presented in accordance with IFRS.

Purchased volume in Q2 amounted to NOK 1.6 million, of which 80% was purchased in June. Average margin was 2.20%. Net interest income was NOK 0.3 million. Interest income on invoice purchase (adjusted for accruals) amounted to NOK 22.3 thousand.

Total operating expenses amounted to NOK 6.6 million of which NOK 3.3 million (50%) in salary and personnel expenses, NOK 3.0 million (45%) in general administrative expenses and NOK 0.3 million (5%) in ordinary depreciation.

Total assets at the end of the quarter amounted to NOK 144 million of which NOK 1 million were net loans to customers. Total equity amounted NOK 142 million and CET1-ratio was 331.4%. Total liquid assets amounted to NOK 134 million of which NOK 104 million in bank deposits and NOK 30 million in the LCR-fund DNB Global Treasury.

Outlook

With the launch of our non-recourse factoring solution in Tripletex the last week of June, Aprila Bank only experienced a few days of real exposure to Tripletex' ~ 25 000 users during the second quarter. After the end of the second quarter, financing volume has picked up significantly and inflow of new customers has continued. We expect the volume growth to increase further during the second half of 2018.

The bank signed a distribution agreement with a new partner in early July. The implementation project commences in August and launch is planned in Q4 this year.

In order to fund the expected volume growth, Aprila Bank intends to launch a solution for consumer deposits in the second half of 2018.

The bank has several new products on its strategic roadmap and the roll-out plan will be decided in connection with a strategic review in August.

Other information

Since Aprila Bank commenced its banking operations in Q2 2018, historical accounting figures are not comparable and have not been prepared. The accounting deficit for Q2 has in its entirety been booked against retained earnings. This interim report has not been audited by the company's external auditor.

Oslo, 14 August 2018

Board of Directors
Aprila Bank ASA

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousand	Note	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	7	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	2	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

COMPREHENSIVE INCOME

Amounts in NOK thousand	Q2 2018	YTD 2018
Comprehensive income for the period	-6,293	-11,805

CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	Note	30.06.2018
Loans and deposits with credit institutions	4, 5	103,858
Net loans to customers	2, 5	986
Certificates and bonds	5	30,003
Other intangible assets		6,487
Deferred tax assets		0
Fixed assets		1,141
Other receivables	6	1,794
Total assets		144,269
Deposits from and debt to customers		0
Other debt	6	2,715
Total liabilities		2,715
Share capital	3	36,183
Share premium	3	127,036
Other paid-in equity	3	43
Retained earnings	3	-21,707
Total equity		141,554
Total equity and liabilities		144,269

CONDENSED STATEMENT OF THE CASHFLOW POSITION

Amounts in NOK thousand	Note	Q2 2018
Pre-tax operating profit		-6,293
Taxes		0
Ordinary depreciation		325
Change in loans	2	-986
Change in deposits from customers		0
Change in securities	5	-30,003
Change in accruals		292
Net cash flow from operating activities		-36,665
Investments in fixed assets		-658
Investments in intangible assets		-3,862
Net cash flow from investing activities		-4,520
Paid-in equity	3	43
Other new financing		0
Net cash flow from financing activities		43
Net cash flow for the period		-41,143
Cash and cash equivalents at the start of the period	4	145,001
Cash and cash equivalents at the end of the period	4	103,858

CONDENSED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK thousand	Share capital	Share premium	Other paid-in equity	Retained earnings	Total equity
Equity as of 31 March 2018	36,183	127,036	0	-15,413	147,805
Changes in equity due to stock options program			43		43
Net profit for the period				-6,293	-6,293
Equity as of 30 June 2018	36,183	127,036	43	-21,707	141,554

NOTES

Note 1 General accounting principles

Reporting entity

Aprila Bank (the "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. They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Bank's financial position and performance since the last annual financial statements.

The Bank has implemented IFRS from 1 January 2018. The Bank was granted a commercial banking license from the Financial Supervisory Authority of Norway (NO: Finanstilsynet) in March 2018. The transition to IFRS had no material effect, as the Bank had limited operation before receiving the license.

The interim report was authorised for issue by the Bank's board of directors on 14 august 2018.

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.

Statement of cash flow

The statement of cash flow has been prepared according to the indirect method. Cash and cash equivalents consist of bank deposits.

Significant accounting policies

Financial instruments

Financial instruments cover loans to customers and deposits with credit institutions. Financial instruments are recognised in the balance sheet on the date the Bank becomes party to the instrument's

contractual terms. The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires, or it transfers the rights to receive the contractual cash flow. Financial liabilities are derecognised when the contractual obligations are discharged, cancelled, or expired.

Other intangible assets

Intangible assets are recognised in the balance sheet to the extent that it is probable that financial benefits will accrue to the Bank in the future and these expenses can be measured reliably. Intangible assets are recognised in the balance sheet at cost minus accumulated amortisation and any impairments.

Fixed assets

Fixed assets are recognised at historical cost less accumulated depreciation and any impairments. The cost includes the purchase price of the asset and other directly attributable costs. Depreciation is based on the cost minus the expected residual value and allocated on a straight-line basis over the expected useful life of the asset

Deferred tax

Deferred taxes are recognised in line with IAS 12. Deferred taxes are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be used.

Note 2 Loans to customers

LOANS TO CUSTOMERS

Amounts in NOK thousand

	30.06.2018
Non-recourse factoring	986
Gross lending	986
Impairment of loans	1
Net loans to customers	986

DEFAULTS AND LOSSES

Amounts in NOK thousand

	30.06.2018
Gross defaulted loans	0
Write-downs stage 1	1
Write-downs stage 2	0
Write-downs stage 3	0
Net defaulted loans	-1

LOAN LOSS PROVISIONS IN THE PERIOD

Amounts in NOK thousand

	30.06.2018
Write-downs stage 1	1
Write-downs stage 2	0
Write-downs stage 3	0
Total write-downs on loans in the period	1

AGEING OF LOANS

Amounts in NOK thousand

	30.06.2018
Loans not past due	883
Past due 1 - 30 days	104
Past due 31 - 60 days	0
Past due 61 - 90 days	0
Past due 91+ days	0
Total	986

AGEING OF LOANS %

Per cent

	30.06.2018
Loans not past due	89%
Past due 1 - 30 days	11%
Past due 31 - 60 days	0%
Past due 61 - 90 days	0%
Past due 91+ days	0%
Total	100%

Note 3 Regulatory capital

Amounts in NOK thousand	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 (CALCULATION BASIS)	
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%
LIQUIDITY COVERAGE RATIO %	
Per cent	30.06.2018
LCR	1,509%

Note 4 Loans and deposits with credit institutions

Amounts in NOK thousand	30.06.2018
Loans and deposits with credit institutions	103,858
Total	103,858

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	30.06.2018
Initial recognition	30,000
Change in fair value	3
Total financial assets at fair value	30,003

Financial instruments at amortised cost

Amounts in NOK thousand	30.06.2018
Loans and deposits with credit institutions	103,858
Net loans to customers	986
Total financial assets at amortised cost	104,844

Note 6 Receivables and other liabilities

RECEIVABLES	
Amounts in NOK thousand	30.06.2018
Skattefunn tax deduction claim	1,317
Other receivables	477
Total receivables	1,794
OTHER LIABILITIES	
Amounts in NOK thousand	30.06.2018
Payables to suppliers	1,011
Payables to factoring customers	125
Social security tax	505
Other liabilities	1,074
Total other liabilities	2,715

Note 7 General administrative expenses

Amounts in NOK thousand	Q2 2018
External services	1,165
IT operations	1,042
Rental of premises	240
Sales and marketing	196
Credit information	80
External audit and related services	28
Credit insurance	1
Other operating expenses	208
Total general administrative expenses	2,960

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 OF 1 AUGUST 2018

Shareholder	Shares	Per cent
1 AMESTO GROUP AS	3,618,182	10.0%
2 ALLIANCE VENTURE SPRING AS	2,193,182	6.1%
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 REDIVIVUS AS	950,000	2.6%
7 SIX SIS AG 25PCT ACCOUNT	877,470	2.4%
8 TOLUMA INVEST AS	877,470	2.4%
9 NORUS AS PROCURATOR AS	877,470	2.4%
10 SIRKELBUE AS	800,000	2.2%
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	700,000	1.9%
17 AREPO AS	658,102	1.8%
18 SVINDAL AKSEL LUND	630,852	1.7%
19 INCHOATE AS	610,000	1.7%
20 NORDIC PRIVATE EQUITY	600,000	1.7%
Others	14,128,931	39.0%
Total	36,182,727	100%

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