



Q3

Interim report
July – September 2018

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KEY FIGURES

PURCHASED AMOUNT¹⁾**36.5**
MNOK

NET NEW CUSTOMERS

237AVERAGE MARGIN²⁾**2.32%**AVERAGE GRANTED DAYS³⁾**24.0**

TOTAL INCOME

0.6
MNOK

PROFIT AFTER TAX

-7.3
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⁾ 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 partners. 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 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 second operating quarter

Q3 2018 is the second operating quarter for Aprila Bank, and the first quarter the bank is fully operational, following the launch in Tripletex on 26 June.

Highlights from the second operating quarter are outlined below.

Highlights

- Solid growth in monthly purchased amount; from NOK 1.3 million in June to NOK 24.9 million in September
- Increased conversion rate from 9.6% in Q2 to 16.4% in Q3 (+71%)
- Launched in Tripletex' project module 11 September

Financial figures

All figures are prepared and presented in accordance with IFRS. Comparable figures from Q2 2018 are presented in brackets.

Purchased volume in Q3 amounted to NOK 36.5 million (NOK 1.6 million), of which NOK 24.9 million was purchased in September. Average margin was 2.32% (2.20%), and net interest income was NOK 0.6 million (NOK 0.3 million). Interest income from invoice purchase (adjusted for accruals) amounted to NOK 0.5 million (NOK 0.02 million).

Total operating expenses amounted to NOK 7.8 million (NOK 6.6 million) of which NOK 5.3 million in salary and personnel expenses, NOK 2.2 million in general administrative expenses and NOK 0.4 million in ordinary depreciation.

Total assets at the end of the quarter amounted to NOK 139 million (NOK 144 million) of which NOK 23 million were net loans to customers (NOK 1 million). Total equity amounted to NOK 134 million (NOK 142 million) and CET1-ratio was 223.4% (331.4%). Total liquid assets amounted to NOK 106 million (NOK 134 million) of which NOK 76 million in bank deposits and NOK 30 million in the LCR-compliant fund DNB Global Treasury.

Outlook

With the launch of our non-recourse factoring solution in Tripletex' project module on 11 September, Aprila Bank is now exposed to around two thirds of Tripletex' ~ 25 000 users.

Purchased volume has picked up significantly from the second quarter and the bank has experienced a triple-digit month-over-month (MoM) growth each

month in the third quarter. The bank expects lower relative MoM growth in the fourth quarter, as volume growth in this quarter will be more directly related to the inflow of new customers, rather than enhanced exposure in Tripletex and higher conversion rates.

The bank has distribution agreements with the cloud-based ERP system providers Xledger and Uni Micro, and expects implementation projects to be well underway at the end of the fourth quarter. Launch dates are still not certain enough to be communicated.

In order to fund the expected volume growth, Aprila Bank intends to launch a solution for consumer deposits in Q1 2019.

Roll-out of new products and distribution channels in the bank's roadmap will depend on distribution agreements entered into going forward.

Other information

Since Aprila Bank commenced its banking operations in Q2 2018, historical accounting figures are not comparable and have not been prepared, except for Q2 2018.

The accounting deficit for Q3 has in its entirety been booked against retained earnings. This interim report has not been audited by the company's external auditor.

Oslo, 2 November 2018

Board of Directors
Aprila Bank ASA

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousand	Note	Q3 2018	YTD 2018
Interest income	2	634	998
Interest expense		53	106
Net interest income		581	892
Income commissions and fees		25	26
Expenses commissions and fees		137	147
Net commissions and fees		-112	-121
Net gains / losses (-) on certificates, bonds and currency		95	99
Other income		0	6
Total income		565	876
Salary and other personnel expenses		5,259	12,367
General administrative expenses	7	2,189	6,845
Total salary and administrative expenses		7,448	19,212
Ordinary depreciation		397	748
Total operating expenses excl. losses on loans		7,845	19,960
Losses on loans	2	55	55
Pre-tax operating profit		-7,334	-19,139
Tax expenses		0	0
Profit after tax		-7,334	-19,139
Earnings per share (NOK)		-0.20	-0.53
Diluted earnings per share (NOK)		-0.17	-0.45

COMPREHENSIVE INCOME

Amounts in NOK thousand	Q3 2018	YTD 2018
Comprehensive income for the period	-7,334	-19,139

CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	Note	30.09.2018	30.06.2018
Loans and deposits with credit institutions	4, 5	75,978	103,858
Net loans to customers	2	23,368	986
Certificates and bonds	5	30,099	30,003
Other intangible assets		6,521	6,487
Deferred tax assets		0	0
Fixed assets		1,086	1,141
Other receivables	6	1,538	1,789
Total assets		138,591	144,264
Deposits from and debt to customers		0	0
Other debt	6	4,174	2,710
Total liabilities		4,174	2,710
Share capital	3	36,183	36,183
Share premium	3	127,036	127,036
Other paid-in equity	3	239	43
Retained earnings	3	-29,041	-21,706
Total equity		134,417	141,554
Total equity and liabilities		138,591	144,264

CONDENSED STATEMENT OF THE CASHFLOW POSITION

Amounts in NOK thousand	Note	Q3 2018	Q2 2018
Pre-tax operating profit		-7,334	-6,293
Taxes		0	0
Ordinary depreciation		397	325
Change in loans	2	-22,383	-986
Change in deposits from customers		0	0
Change in securities	5	-96	-30,003
Change in accruals		1,715	291
Net cash flow from operating activities		-27,700	-36,665
Investments in fixed assets		-29	-658
Investments in intangible assets		-347	-3,862
Net cash flow from investing activities		-376	-4,520
Paid-in equity	3	197	43
Other new financing		0	0
Net cash flow from financing activities		197	43
Net cash flow for the period		-27,880	-41,143
Cash and cash equivalents at the start of the period	4	103,858	145,001
Cash and cash equivalents at the end of the period	4	75,978	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	-21,706	141,554
Changes in equity due to stock options program			197		197
Net profit for the period				-7,334	-7,334
Equity as of 30 September 2018	36,183	127,036	239	-29,041	134,417

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 2 November 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	30.09.2018	30.06.2018
Non-recourse factoring	23,424	986
Gross lending	23,424	986
Impairment of loans	55	1
Net loans to customers	23,368	986

DEFAULTS AND LOSSES

Amounts in NOK thousand	30.09.2018	30.06.2018
Gross defaulted loans	0	0
Write-downs stage 1	52	1
Write-downs stage 2	3	0
Write-downs stage 3	0	0
Net defaulted loans	-55	-1

LOAN LOSS PROVISIONS IN THE PERIOD

Amounts in NOK thousand	30.09.2018	30.06.2018
Write-downs stage 1	51	1
Write-downs stage 2	3	0
Write-downs stage 3	0	0
Total write-downs on loans in the period	55	1

AGEING OF LOANS

Amounts in NOK thousand	30.09.2018	30.06.2018
Loans not past due	20,826	883
Past due 1 - 30 days	2,281	104
Past due 31 - 60 days	295	0
Past due 61 - 90 days	22	0
Past due 91+ days	0	0
Total	23,424	986

AGEING OF LOANS %

Per cent	30.09.2018	30.06.2018
Loans not past due	89%	89%
Past due 1 - 30 days	10%	11%
Past due 31 - 60 days	1%	0%
Past due 61 - 90 days	0%	0%
Past due 91+ days	0%	0%
Total	100%	100%

GROSS LOANS TO CUSTOMERS

Amounts in NOK thousand	Stage 1	Stage 2	Stage 3	Total
Gross loans to customers as of 30 June 2018	986	-	-	986
Transfers from Stage 1 to Stage 2	-	-	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-
Transfers from Stage 2 to Stage 3	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-
New financial assets issued or purchased	23,105	318	-	23,424
Financial assets derecognised in the period	-986	-	-	-986
Gross loans to customers as of 30 September 2018	23,105	318	-	23,424

LOAN LOSS ALLOWANCES

Amounts in NOK thousand	Stage 1	Stage 2	Stage 3	Total
Loss allowance as of 30 June 2018	1	-	-	1
Transfers from Stage 1 to Stage 2	-	-	-	-
Transfers from Stage 1 to Stage 3	-	-	-	-
Transfers from Stage 2 to Stage 3	-	-	-	-
Transfers from Stage 3 to Stage 2	-	-	-	-
Transfers from Stage 3 to Stage 1	-	-	-	-
Transfers from Stage 2 to Stage 1	-	-	-	-
New financial assets issued or purchased	52	3	-	55
Financial assets derecognised in the period	-1	-	-	-1
Loan loss allowance as of 30 September 2018	52	3	-	55

Note 3 Regulatory capital

Amounts in NOK thousand	30.09.2018	30.06.2018
Share capital	36,183	36,183
Share premium	127,036	127,036
Other equity	-28,801	-21,664
Total equity	134,417	141,554
Other intangible assets	-6,521	-6,487
Deferred tax assets	0	0
Common equity tier 1 (CET 1)	127,896	135,068
Tier 1 capital	127,896	135,068
Total capital	127,896	135,068
RISK-WEIGHTED ASSETS (CALCULATION BASIS)		
Loans and deposits with credit institutions	15,196	20,772
Loans to customers	23,368	986
Certificates and bonds	0	0
Other assets	2,624	2,931
Credit risk	41,189	24,688
Operational risk	16,067	16,067
Risk-weighted assets	57,255	40,755
Capital ratios		
Common equity tier 1 ratio (%)	223.4%	331.4%
Tier 1 ratio (%)	223.4%	331.4%
Total capital ratio (%)	223.4%	331.4%
LIQUIDITY COVERAGE RATIO (%)		
Per cent	30.09.2018	30.06.2018
LCR	198%	1,509%

Note 4 Loans and deposits with credit institutions

Amounts in NOK thousand	30.09.2018	30.06.2018
Loans and deposits with credit institutions	75,978	103,858
Total	75,978	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	30.09.2018	30.06.2018
Initial recognition	30,000	30,000
Change in fair value	99	3
Total financial assets at fair value	30,099	30,003

Financial instruments at amortised cost

Amounts in NOK thousand	30.09.2018	30.06.2018
Loans and deposits with credit institutions	75,978	103,858
Net loans to customers	23,368	986
Total financial assets at amortised cost	99,347	104,844

Note 6 Receivables and other liabilities

RECEIVABLES		
Amounts in NOK thousand	30.09.2018	30.06.2018
Skattefunn tax deduction claim	1,317	1,317
Other receivables	222	472
Total receivables	1,538	1,789

OTHER LIABILITIES		
Amounts in NOK thousand	30.09.2018	30.06.2018
Payables to suppliers	574	1,009
Payables to factoring customers and partners	1,432	128
Social security tax	467	505
Other liabilities	1,701	1,069
Total other liabilities	4,174	2,710

Note 7 General administrative expenses

Amounts in NOK thousand	Q3 2018	Q2 2018
External services	974	1,165
IT operations	619	1,042
Rental of premises	240	240
Sales and marketing	110	196
Credit information	98	80
External audit and related services	0	28
Credit insurance	37	1
Other operating expenses	111	208
Total general administrative expenses	2,189	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 20 OCTOBER 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 NORUS AS PROCURATOR AS	877,470	2.4%
9 TOLUMA INVEST AS	877,470	2.4%
10 COSIMO AS	805,000	2.2%
11 SIRKELBUE AS	800,000	2.2%
12 SES AS	797,699	2.2%
13 UNIVERSAL PRESENTKORT AS	797,699	2.2%
14 ENIMAE AS	726,985	2.0%
15 DISRUPTOR AS	700,000	1.9%
16 SANDSOLO HOLDING AS	688,565	1.9%
17 AREPO AS	658,102	1.8%
18 ØSD FINANS AS	650,000	1.8%
19 SVINDAL AKSEL LUND	650,000	1.8%
20 SPORTSMAGASINET AS	634,709	1.8%
Others	14,087,798	38.9%
Total	36,182,727	100%

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