



Q4

Interim report  
October – December  
2018

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## KEY FIGURES

PURCHASED AMOUNT<sup>1)</sup>

100

MNOK

NET NEW CUSTOMERS

142

AVERAGE MARGIN<sup>2)</sup>

2.60%

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

23.6

TOTAL INCOME

1.9

MNOK

PROFIT AFTER TAX

-7.2

MNOK

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

<sup>2)</sup> Gross interest and fee income in % of purchased volume, 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 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 third operating quarter

Q4 2018 is the third operating quarter for Aprila Bank, and the second quarter the bank is fully operational, following the launch in Tripletex on 26 June.

Highlights from the third operating quarter are outlined below.

### Highlights

- Solid growth in purchased amount; from NOK 36.5 million in Q3 to NOK 100.3 million in Q4
- Increased conversion rate<sup>4)</sup> from ~16% in Q3 to ~18% in Q4

### Financial figures

All figures are prepared and presented in accordance with IFRS. Comparable figures from Q3 2018 are presented in brackets.

Purchased volume in Q4 amounted to NOK 100.3 million (NOK 36.5m). Average margin was 2.60% (2.32%), and net interest income was NOK 2.6 million (NOK 0.6 million). Interest income from invoice purchase (adjusted for accruals) amounted to NOK 2.5 million (NOK 0.5 million).

Total operating expenses amounted to NOK 8.1 million (NOK 7.8 million) of which NOK 5.2 million (65%) in salary and personnel expenses, NOK 2.5 million (31%) in general administrative expenses and NOK 0.3 million (4%) in ordinary depreciation.

Total assets at the end of the quarter amounted to NOK 133 million (NOK 139 million) of which NOK 40 million were net loans to customers. Total equity amounted to NOK 128 million (NOK 134 million) and GET1-ratio was 179.5% (223.4%). Total liquid assets amounted to NOK 85 million (NOK 106 million) of which NOK 55 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' project module on 11 September, Aprila Bank is now exposed to around two thirds of Tripletex' ~ 25 000 users.

Purchased volume has nearly tripled from Q3 to Q4. However, month-over-month growth has declined, due to a new policy related to customers with registered factoring pledge.

From 17 October 2018, new customers with an existing factoring pledge have been required to obtain a written waiver from the pledgee before the

<sup>4)</sup> Amount purchased in % of estimated available invoice amount (NOK).

onboarding process can be completed. Further, as of 11 February 2019, the bank has decided to close existing customer accounts (established prior to 17 October 2018) where the pledgee has either not accepted or not responded to the request to waive the factoring pledge for the invoices sold to the bank.

Several initiatives to accelerate new onboardings have been and are being implemented, but we do not expect a significant volume growth from Q4 2018 to Q1 2019.

The bank has distribution agreements with the cloud-based ERP system providers Xledger and Uni Micro, and expects to go live with both partners during Q2 2019.

In order to fund the expected volume growth, Aprila Bank intends to launch a solution for consumer deposits in Q2 2019.

#### **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 and Q3 2018.

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, 25 February 2019

**Board of Directors**

Aprila Bank ASA

## CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

Amounts in NOK thousand	Note	Q4 2018	2018
Interest income	2	2 673	3 668
Interest expense		52	158
<b>Net interest income</b>		<b>2 621</b>	<b>3 510</b>
Income commissions and fees		104	133
Expenses commissions and fees		833	982
<b>Net commissions and fees</b>		<b>-730</b>	<b>-848</b>
Net gains / losses (-) on certificates, bonds and currency		13	112
Other income		0	6
<b>Total income</b>		<b>1 905</b>	<b>2 779</b>
Salary and other personnel expenses		5 237	17 604
General administrative expenses	7	2 493	9 338
<b>Total salary and administrative expenses</b>		<b>7 730</b>	<b>26 942</b>
Ordinary depreciation		337	1 085
<b>Total operating expenses excl. losses on loans</b>		<b>8 067</b>	<b>28 027</b>
Losses on loans	2	997	1 052
<b>Pre-tax operating profit</b>		<b>-7 159</b>	<b>-26 299</b>
Tax expenses		0	0
<b>Profit after tax</b>		<b>-7 159</b>	<b>-26 299</b>
Earnings per share (NOK)		-0.20	-0.73
Diluted earnings per share (NOK)		-0.17	-0.61

### COMPREHENSIVE INCOME

Amounts in NOK thousand	Q4 2018	2018
<b>Comprehensive income for the period</b>	<b>-7 159</b>	<b>-26 299</b>

## CONDENSED STATEMENT OF FINANCIAL POSITION

Amounts in NOK thousand	Note	31.12.2018	31.12.2017
Loans and deposits with credit institutions	4, 5	54 639	6 255
Net loans to customers	2	39 619	0
Certificates and bonds	5	30 112	0
Other intangible assets		5 838	2 813
Deferred tax assets		0	0
Fixed assets		1 064	106
Other receivables	6	2 226	1 409
<b>Total assets</b>		<b>133 500</b>	<b>10 583</b>
Deposits from and debt to customers		0	0
Other debt	6	5 999	1 840
<b>Total liabilities</b>		<b>5 999</b>	<b>1 840</b>
Share capital	3	36 220	8 910
Share premium	3	127 036	9 735
Other paid-in equity	3	446	0
Retained earnings	3	-36 201	-9 901
<b>Total equity</b>		<b>127 501</b>	<b>8 744</b>
<b>Total equity and liabilities</b>		<b>133 500</b>	<b>10 583</b>

## CONDENSED STATEMENT OF THE CASHFLOW POSITION

Amounts in NOK thousand	Note	Q4 2018	2018
Pre-tax operating profit		-7 159	-26 299
Taxes		0	0
Ordinary depreciation		337	1 085
Change in loans	2	-16 251	-39 619
Change in deposits from customers		0	0
Change in securities	5	-13	-30 112
Change in accruals		1 135	3 342
<b>Net cash flow from operating activities</b>		<b>-21 951</b>	<b>-91 603</b>
Net investments in fixed assets		-66	-1 225
Net investments in intangible assets		434	-3 844
<b>Net cash flow from investing activities</b>		<b>368</b>	<b>-5 069</b>
Paid-in equity	3	244	145 057
Other new financing		0	0
<b>Net cash flow from financing activities</b>		<b>244</b>	<b>145 057</b>
Net cash flow for the period		-21 339	48 384
Cash and cash equivalents at the start of the period	4	75 978	6 255
<b>Cash and cash equivalents at the end of the period</b>	4	<b>54 639</b>	<b>54 639</b>



## CONDENSED STATEMENT OF CHANGES IN EQUITY

Amounts in NOK thousand	Share capital	Share premium	Other paid-in equity	Retained earnings	Total equity
<b>Equity as of 31 December 2017</b>	<b>8 910</b>	<b>9 735</b>	<b>0</b>	<b>-9 901</b>	<b>8 744</b>
Share capital increase	27 273	117 301			144 573
Changes in equity due to stock options program			0		0
Net profit for the period				-5 512	-5 512
<b>Equity as of 31 March 2018</b>	<b>36 183</b>	<b>127 036</b>	<b>0</b>	<b>-15 413</b>	<b>147 805</b>
Changes in equity due to stock options program			43		43
Net profit for the period				-6 293	-6 293
<b>Equity as of 30 June 2018</b>	<b>36 183</b>	<b>127 036</b>	<b>43</b>	<b>-21 706</b>	<b>141 554</b>
Changes in equity due to stock options program			197		197
Net profit for the period				-7 335	-7 335
<b>Equity as of 30 September 2018</b>	<b>36 183</b>	<b>127 036</b>	<b>239</b>	<b>-29 042</b>	<b>134 416</b>
Share capital increase	37	0			37
Changes in equity due to stock options program			207		207
Net profit for the period				-7 159	-7 159
<b>Equity as of 31 December 2018</b>	<b>36 220</b>	<b>127 036</b>	<b>446</b>	<b>-36 201</b>	<b>127 501</b>

## 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 25 February 2019.

#### 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	31.12.2018	30.09.2018	30.06.2018
Non-recourse factoring	40 671	23 424	986
<b>Gross lending</b>	<b>40 671</b>	<b>23 424</b>	<b>986</b>
Impairment of loans	1 052	55	1
<b>Net loans to customers</b>	<b>39 619</b>	<b>23 368</b>	<b>986</b>

### DEFAULTS AND LOSSES

Amounts in NOK thousand	31.12.2018	30.09.2018	30.06.2018
<b>Gross defaulted loans</b>	<b>858</b>	<b>0</b>	<b>0</b>
Write-downs stage 1	122	52	1
Write-downs stage 2	162	3	0
Write-downs stage 3	768	0	0
<b>Net defaulted loans</b>	<b>-194</b>	<b>-55</b>	<b>-1</b>

### LOAN LOSS PROVISIONS IN THE PERIOD

Amounts in NOK thousand	Q4 2018	Q3 2018	Q2 2018
Write-downs stage 1	70	51	1
Write-downs stage 2	158	3	0
Write-downs stage 3	768	0	0
<b>Total write-downs on loans in the period</b>	<b>997</b>	<b>55</b>	<b>1</b>

### AGEING OF LOANS

Amounts in NOK thousand	31.12.2018	30.09.2018	30.06.2018
Loans not past due	23 317	20 826	883
Past due 1 - 30 days	11 845	2 281	104
Past due 31 - 60 days	4 701	295	0
Past due 61 - 90 days	643	22	0
Past due 91+ days	166	0	0
<b>Total</b>	<b>40 671</b>	<b>23 424</b>	<b>986</b>

### AGEING OF LOANS %

Per cent	31.12.2018	30.09.2018	30.06.2018
Loans not past due	57%	89%	89%
Past due 1 - 30 days	29%	10%	11%
Past due 31 - 60 days	12%	1%	0%
Past due 61 - 90 days	2%	0%	0%
Past due 91+ days	0%	0%	0%
<b>Total</b>	<b>100%</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 2018</b>	<b>23 105</b>	<b>318</b>	<b>-</b>	<b>23 424</b>
Transfers from Stage 1 to Stage 2	-571	571	-	-
Transfers from Stage 1 to Stage 3	-101	-	101	-
Transfers from Stage 2 to Stage 3	-	-64	64	-
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	35 096	4 108	692	39 895
Financial assets derecognised in the period	-22 394	-254	-	-22 648
<b>Gross loans to customers as of 31 December 2018</b>	<b>35 134</b>	<b>4 679</b>	<b>858</b>	<b>40 671</b>

## LOAN LOSS ALLOWANCES

Amounts in NOK thousand	Stage 1	Stage 2	Stage 3	Total
<b>Loss allowance as of 30 September 2018</b>	<b>52</b>	<b>3</b>	<b>-</b>	<b>55</b>
Transfers from Stage 1 to Stage 2	-2	75	-	73
Transfers from Stage 1 to Stage 3	0	-	60	59
Transfers from Stage 2 to Stage 3	-	-2	29	27
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	122	87	680	889
Financial assets derecognised in the period	-50	-2	-	-51
<b>Loan loss allowance as of 31 December 2018</b>	<b>122</b>	<b>162</b>	<b>768</b>	<b>1 052</b>

### Note 3 Regulatory capital

Amounts in NOK thousand	31.12.2018	30.09.2018	30.06.2018
Share capital	36 220	36 183	36 183
Share premium	127 036	127 036	127 036
Other equity	-35 755	-28 803	-21 664
<b>Total equity</b>	<b>127 501</b>	<b>134 416</b>	<b>141 554</b>
Other intangible assets	-5 838	-6 521	-6 487
Deferred tax assets	0	0	0
<b>Common equity tier 1 (CET 1)</b>	<b>121 663</b>	<b>127 894</b>	<b>135 068</b>
<b>Tier 1 capital</b>	<b>121 663</b>	<b>127 894</b>	<b>135 068</b>
<b>Total capital</b>	<b>121 663</b>	<b>127 894</b>	<b>135 068</b>
<b>RISK-WEIGHTED ASSETS (CALCULATION BASIS)</b>			
Loans and deposits with credit institutions	10 928	15 196	20 772
Loans to customers	37 500	23 368	986
Certificates and bonds	0	0	0
Other assets	3 291	2 623	2 931
<b>Credit risk</b>	<b>51 719</b>	<b>41 187</b>	<b>24 688</b>
Operational risk	16 067	16 067	16 067
<b>Risk-weighted assets</b>	<b>67 785</b>	<b>57 254</b>	<b>40 755</b>
<b>Capital ratios</b>			
Common equity tier 1 ratio (%)	179.5%	223.4%	331.4%
Tier 1 ratio (%)	179.5%	223.4%	331.4%
Total capital ratio (%)	179.5%	223.4%	331.4%
<b>LIQUIDITY COVERAGE RATIO (%)</b>			
Per cent	<b>31.12.2018</b>	30.09.2018	30.06.2018
LCR	217%	198%	1509%

## Note 4 Loans and deposits with credit institutions

Amounts in NOK thousand	31.12.2018	30.09.2018	30.06.2018
Loans and deposits with credit institutions	54 639	75 978	103 858
<b>Total</b>	<b>54 639</b>	<b>75 978</b>	<b>103 858</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	31.12.2018	30.09.2018	30.06.2018
Initial recognition	30 000	30 000	30 000
Change in fair value	112	99	3
<b>Total financial assets at fair value</b>	<b>30 112</b>	<b>30 099</b>	<b>30 003</b>

### Financial instruments at amortised cost

Amounts in NOK thousand	31.12.2018	30.09.2018	30.06.2018
Loans and deposits with credit institutions	54 639	75 978	103 858
Net loans to customers	39 619	23 368	986
<b>Total financial assets at amortised cost</b>	<b>94 258</b>	<b>99 347</b>	<b>104 844</b>

## Note 6 Receivables and other liabilities

### RECEIVABLES

Amounts in NOK thousand	31.12.2018	30.09.2018	30.06.2018
Skattefunn tax deduction claim	2 007	1 317	1 317
Other receivables	220	220	472
<b>Total receivables</b>	<b>2 226</b>	<b>1 537</b>	<b>1 789</b>

### OTHER LIABILITIES

Amounts in NOK thousand	31.12.2018	30.09.2018	30.06.2018
Payables to suppliers	1 346	578	1 009
Payables to factoring customers and partners	531	1 432	128
Social security tax	859	467	505
Other liabilities	3 263	1 697	1 069
<b>Total other liabilities</b>	<b>5 999</b>	<b>4 174</b>	<b>2 710</b>

## Note 7 General administrative expenses

Amounts in NOK thousand	Q4 2018	2018
External services	838	3 632
IT operations	725	2 635
Rental of premises	240	961
Sales and marketing	117	769
Credit information	156	333
External audit and related services	0	28
Credit insurance	73	111
Other operating expenses	345	869
<b>Total general administrative expenses</b>	<b>2 493</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 15 FEBRUARY 2019

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 NORUS AS	1 010 000	2.8%
7 REDIVIVUS AS	950 000	2.6%
8 SIX SIS AG	877 470	2.4%
9 TOLUMA INVEST AS	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 SANDSOLO HOLDING AS	688 565	1.9%
17 AREPO AS	658 102	1.8%
18 SVINDAL AKSEL LUND	650 000	1.8%
19 SPORTSMAGASINET AS	634 709	1.8%
20 INCHOATE AS	610 000	1.7%
Others	13 332 386	36.8%
<b>Total</b>	<b>36 220 084</b>	<b>100%</b>



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