



Aprila Bank ASA | Company Presentation | February 2020

Recognition

Recognised as a leading fintech – despite low profile and very limited marketing spend



Fintech Switzerland

HOTTEST DIGITAL - FIRST CHALLENGER BANKS BY COUNTRY IN EUROPE



CB Insights

SMB Fintech Market Map (North America and Europe)



Created by You. Powered by CBINSIGHTS



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

Two products and access to ~130,000 SMEs from Q1 2020

- Commenced operations in Q2 2018, launching spot factoring integrated in Tripletex (online accounting system)
- Expanding from one product in one distribution channel to three products and six channels during 2020
- Credit line up to NOK 500k launched in Tripletex on 16 Dec 2019 and in own channels (kassekreditt.no) 20 Dec 2019

Key figures

# of SME customers (12 Feb 2020)	901
Average loan per customer (NOK, 31 Dec 2019)	~53 000
Gross income per customer (NOK, annual run-rate Dec 2019)	~18 000
Yield on net loans (Q4 19, annualised)	37.0%
Funding cost (p.a.)	2.1%

Market opportunity

A large market with few challengers



Market status					
	TRADITIONAL BANKING				apрила
	RETAIL	BUSINESSES			
		Large	Medium	Small ²	
Processes	Digital, automated	Manual and paper-based	Manual and paper-based	Non-existing	Digital, automated
Customer experience	Self service, easily available	Pro-active, relationship banking	Re-active, slow, relationship banking	Non-existing	Self service, easily available
Competition	High	High	Medium	Low	Low
Captured share of market ¹					
	Automated processes required for profitability	Manual processes justified by large loan sizes	Manual processes require high loan margins for profitability	Large funding gap (EUR 450 bn)	Automating processes where loan margins reflect manual processes

Market size¹ (EUR, outstanding credit)

Euro area consumer credit^{1,3}

12% of total household lending

5.9bn

EUR ~720 bn⁵

Selected challengers

Klarna.

Marcus:
BY GOLDMAN SACHS™

Revolut

BNXT

European SME credit^{1,4}

33% of the total SME lending market

3.5bn

EUR ~1,200 bn

Selected challengers

Note 1: Company estimates based on EBA Consumer trends report 2018/2019, ECB Statistical Data Warehouse, OECD Financing SMEs and Entrepreneurs 2019 and The View 2019 (Euler Hermes, Allianz), Filling the bank financing gap. || Note 2: Small (<50 FTEs and turnover <= EUR 10m) and Micro (<10 FTEs and turnover <= EUR 2m) || Note 3: Credit not guaranteed by mortgages, i.e. personal loans, car finance and revolving credit. || Note 4: Short-term SME credit estimated to 1/3 of the total SME lending market of EUR 3,500 bn, 4 of which EUR 3,000 bn is captured. || Note 5: ECB: EUR 717 bn in the Euro area as of Oct 2019.

Products

Three initial products to unlock the market for SME credit



Spot factoring (from Q2 18)

Invoicing

Invoice will be sent to andreas@aprila.no

Next invoice number
4

Invoice date

2019-12-11

Create on account invoice

Payment type

To be paid on due date

Sell invoice

Invoice amount: 50,000.00 NOK
Cost (deducted from the invoice amount): 1,383.00 NOK
Your company will receive: 48,617.00 NOK
The amount will be transferred during the next business day.
See [information about prices and reasons for rejection](#).

CANCEL INVOICING

Credit line (from ultimo Q4 19)



Free access
Pay only for what you use

NOK 50,000 NOK 350,000 NOK 500,000

Selected credit line: NOK 350,000
Monthly cost of use: 1.49 %

APPLY FOR CREDIT LINE

Pay with Aprila (from Q3 20)

CART

2 items

iPhone 11 Pro

MacBook Pro 16-inch

Total

NOK 16,190

NOK 69,790

NOK 85,980

PAY AS A PERSON

Apple Pay

Google Pay

PayPal

VISA

Mastercard

Momo

PAY AS A COMPANY

WIRE TRANSFER

Aprila Pay

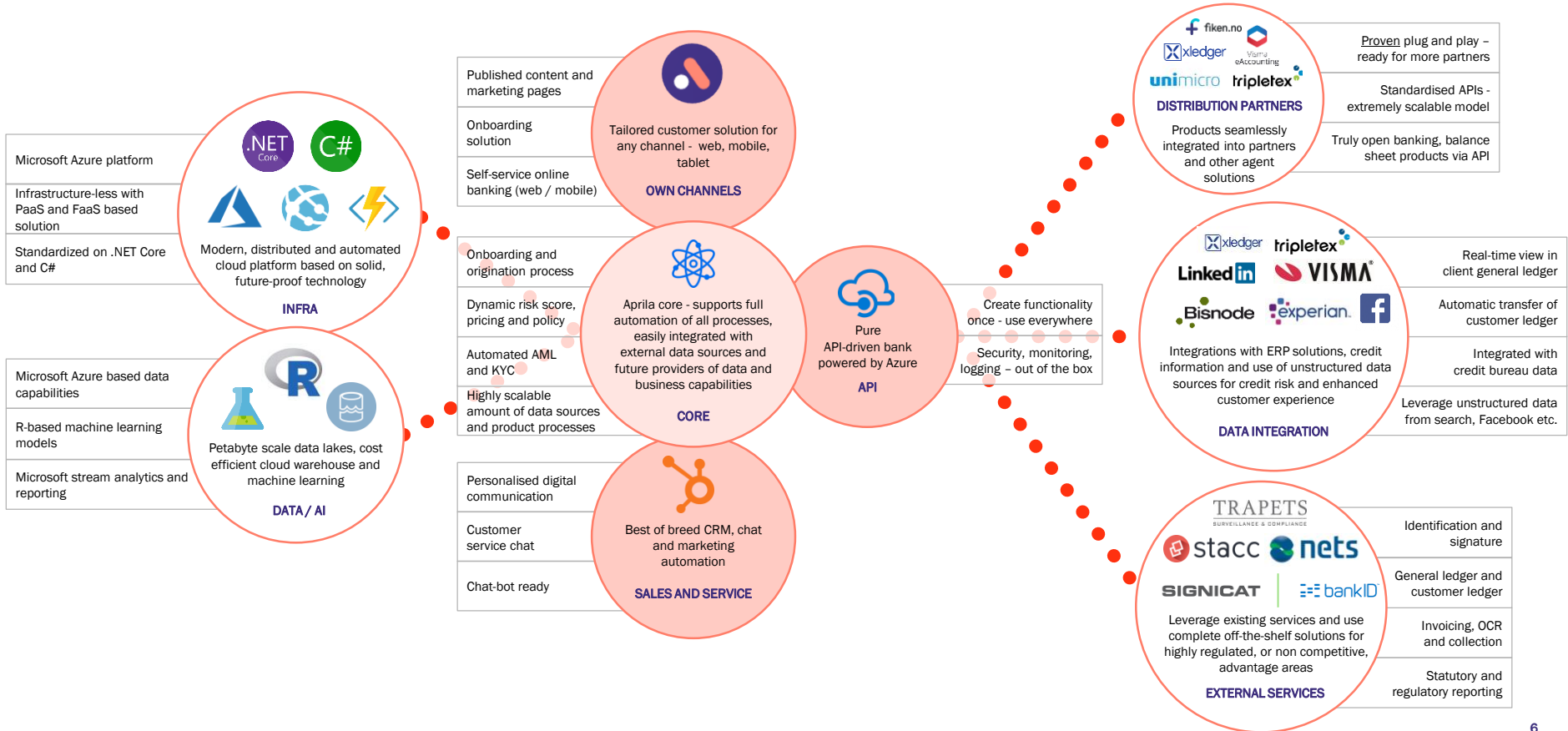
- Spot sale of invoices inside online accounting systems, with immediate settlement and automatic bookkeeping
- In Tripletex from Q2 18, NOK ~550m purchased LTD
- Product/market fit achieved; 98% of customers would be «disappointed» if feature removed, of which >50% «very disappointed»
- Average margin Q4 19: 2.96%, implying >40% EIR¹
- Leveraging latest generation machine-learning to continuously optimise pricing, risk management and take-up rates

- Credit line up to NOK 500k
- In Tripletex and own channels from late Q4 19
- Backed by personal guarantee²
- No access or limit fee, no lock-in period
- Monthly interest rate: 1-2%
- Our first product to be distributed through own channels, but will also be available inside partner ERP systems

- Ecommerce payment solution, B2B
- Online merchant gets paid instantly upon check-out, the customer receives an invoice from Aprila
- Basket size up to NOK 500k
- Instant credit approval
- Up to 90 days deferral
- MVP currently up and running in cooperation with Arctic Securities (purchase of LEI numbers)

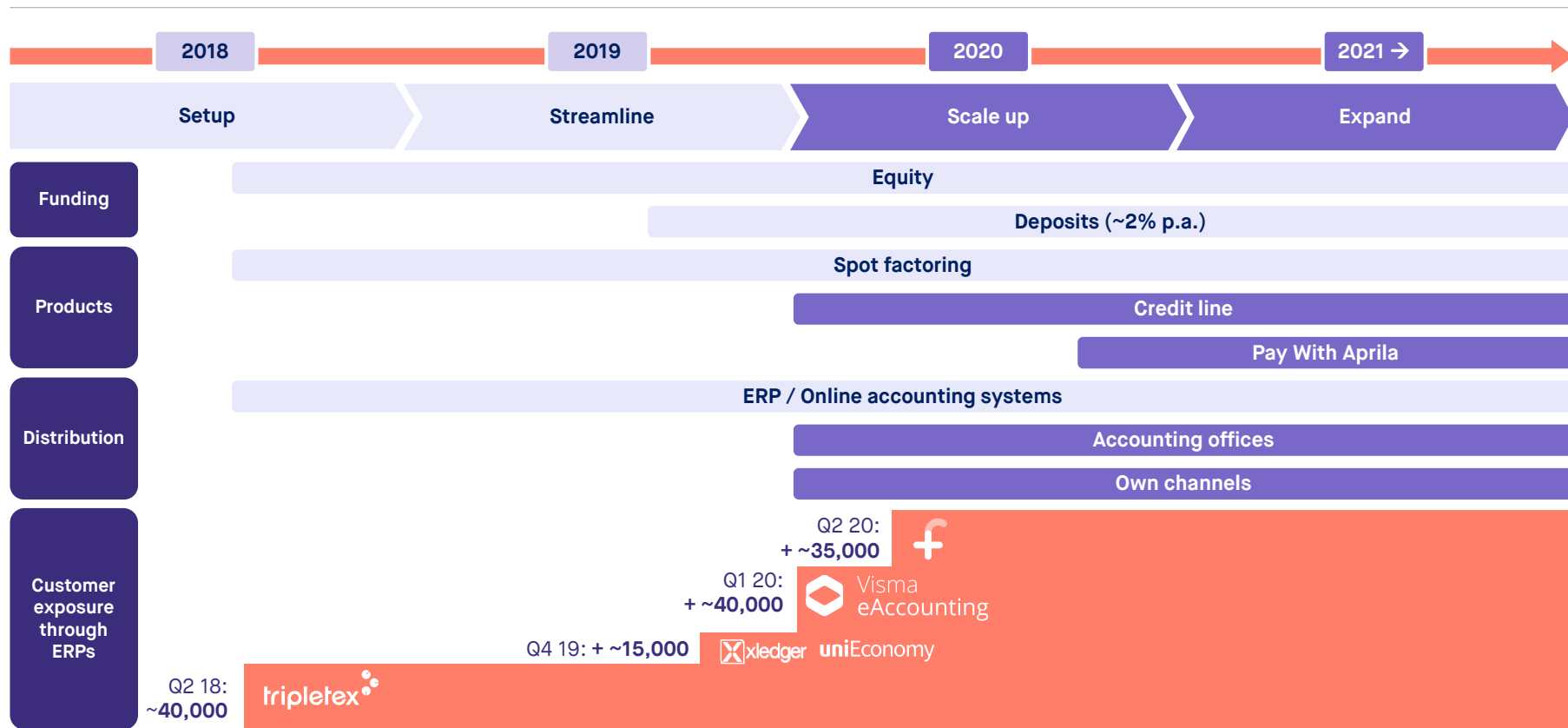
Technology

Advanced and highly scalable API-based architecture



Timeline

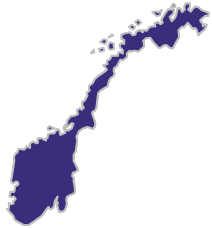
Expanding from one product in one distribution channel to three products and six channels¹



Note 1: Five ERP systems + aprila.no/kassekredit.no

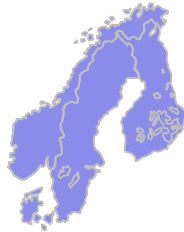
Geographic presence and scaling

European banks neglect their SME customers



Short-term Norway

- Highly digital home market
- Online accounting systems have integrated Aprila Bank financing inside their systems, making this the first fully digital integration of bank financing within ERP



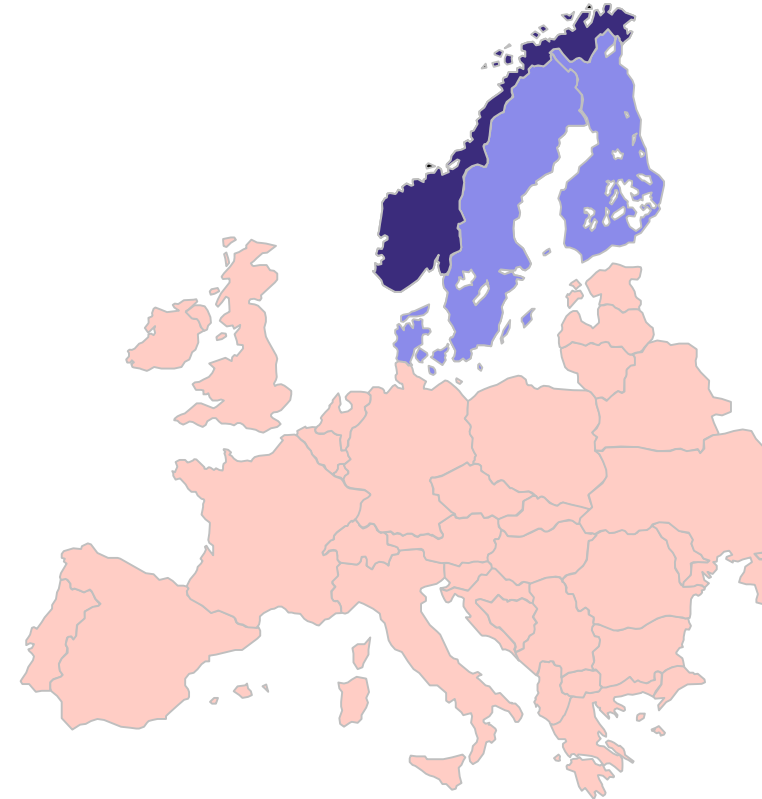
Mid-term The Nordics

- The Nordic countries are world-leaders with respect to digitalisation and have well-functioning financial markets – a great starting point for future expansion
- Aprila expects to enter new markets through distribution agreements with ERP providers



Long-term Continental Europe

- Entry to Continental Europe through existing and new partners with established local presence
- Aprila's banking license can be passported across the EU/EEA



International expansion plan

Q2 2018

Commenced operations in Norway

2021

Expand to the first Nordic country outside of Norway

2023

Expand to the first European country outside of the Nordics

Financial outlook (1 / 2)

Annual run-rate of NOK 75m in gross income at year-end 2020 and break-even in Q2-21



YE 2019

12 Feb 20

YE 2020E

Drivers

of customers
End of period

802

2% of customer exposure¹

901

~2% of customer exposure¹

3,500

~2% of customer exposure²

- New partners
- New products
- Relationship-based and in-house sales

Gross income per
customer
Annual run-rate³
(NOK)

17,748

19,400

~22,000

- New pricing model for spot factoring
- Increased conversion rate
- Product mix

Annual gross
income
Run-rate (NOKm)

14.2

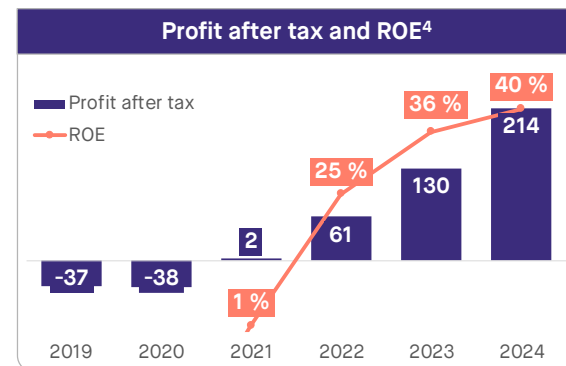
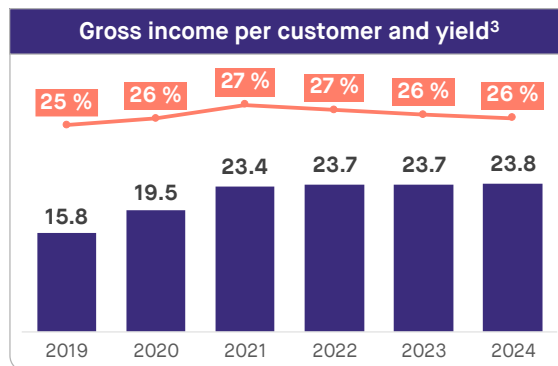
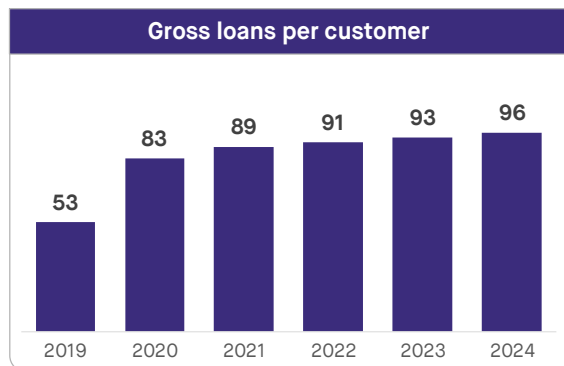
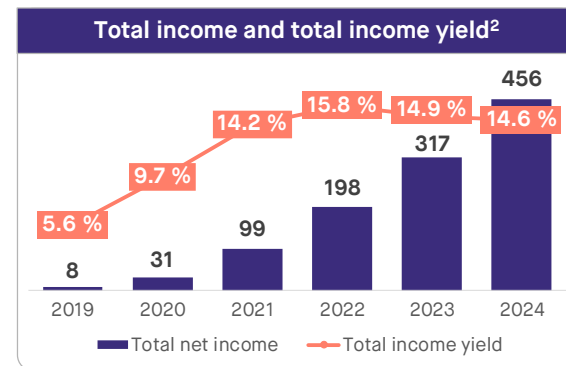
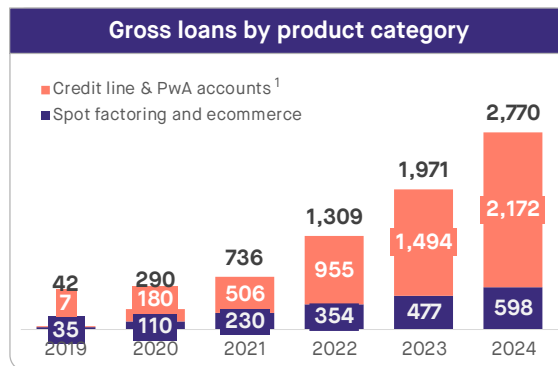
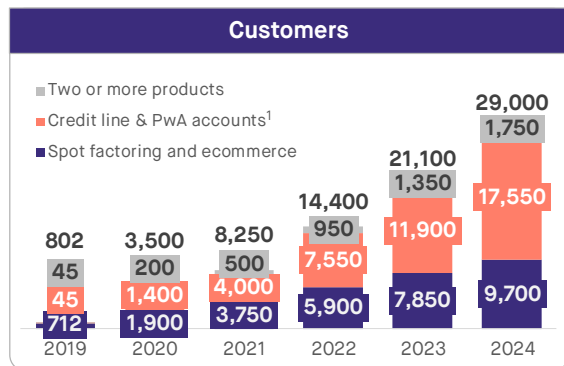
17.5

~75

Break-even expected in Q2 21

Financial outlook (2 / 2)

Extremely scalable business model. The expected growth requires additional equity in 2020 to cover CET1-req.



Note 1: PwA = Pay with April. || Note 2: Total income yield = Total income divided by average total assets in the period. || Note 3: Yield = Gross income from lending divided by average net loans. || Note 4: ROE = Profit after tax divided by average equity in the period.

Management team

Solid background from finance, banking and technology



Halvor S. Lande | 46 | Chief Executive Officer

- Former EVP Digitalisation and Business Development in DNB (2016-19), Associate Principal (2013-16) and Engagement Manager (2008-13) at McKinsey. Co-founder and CEO of RiskLab (1999-2008)
- MSc in Mathematics from the University of Oslo, Computer Engineering from NTNU (NTH)



Per Christian Goller | 53 | Chief Growth Officer

- Former Head of Corporate Finance at Fondsinfins, co-founder of Berg Goller & Co (sold to Icebank in 2008), Head of Bus. Dev. at Opera Software and Marketing Manager at TINE
- Numerous board positions
- BSc from Uni. of Manchester and MBA from the Norwegian School of Economics (NHH)



Israr Khan | 33 | Chief Digital Officer

- Former Digital Director in marked.no, Senior Vice President Digitalisation in DNB and Head of Experience Design and Manager at Capgemini
- Computer Engineering and Informatics from Oslo and Akershus University College of Applied Sciences, Organisational theory and leadership from Høyskolen i Hedmark



Christian Lund | 51 | Chief Credit Officer

- Former Global Head of B2B & Head of Risk Management in Ikano Bank, Managing Director (Interim) in Lindorff Decision & Bisnode Credit, Management Consultant in Capgemini, Country Manager in Xerox Credit Norway and Senior Finance Sales in Nordea Finans
- MSc in Economics and Business Administration from BI Norwegian Business School and Universität Mannheim (Germany).



Lene Gridseth | 30 | Chief Operating Officer

- Previous experience as Investment Banking Associate at Beringer Finance, primarily focusing on M&A within Technology & IT services
- MSc in Financial Economics from the Norwegian School of Economics (NHH)



Kjetil S. Barli | 37 | Chief Financial Officer

- Former Head of Financial Institutions Group at Fondsinfins / Beringer Finance (2013-17), Associate Corporate Finance at Fondsinfins (2010-12) and Management Consultant at P&A Consulting Group (2009-10)
- MSc in Industrial Economics from the Norwegian University of Science and Technology (NTNU)



Katrine Olsen | 34 | Chief Risk Officer

- Former Senior Advisor at the Norwegian Banks' Guarantee Fund, Manager at KPMG within Financial Risk Management, Risk Analyst at Santander and Senior Consultant within Risk Management and Compliance at Capgemini
- BSc from the Norwegian School of Economics (NHH) and MSc from Copenhagen Business School and EM LYON Business School (France)



Heiki Strengelsrud | 47 | Chief Customer Officer

- 10 years experience as Internal Strategy and Innovation Consultant in DNB as well as Business Development Manager in Gjensidige Forsikring and Consultant in IBM
- MSc from BI Norwegian Business School and MBA (Strategy and Entrepreneurship) from IE Business School (Madrid)



Øystein Dannevig | 47 | Chief Analytics Officer

- 11 years experience as Head of Data Analysis at Avida Finans (2016-18), PRA Group Europe (2014-16) and Aktiv Kapital (2007-14)
- Former Head of Analysis at M&A boutiques Bridgehead (2001-07) and Graff-Wang, Goller & Co (1995 - 2001)
- MSc from BI Norwegian Business School

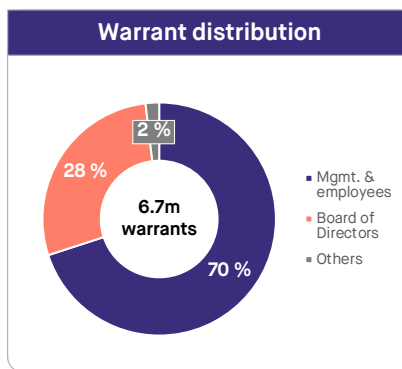
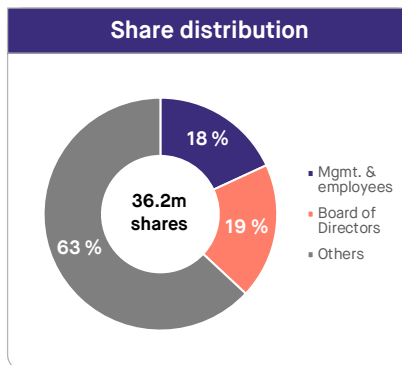


Ownership & warrant structure¹

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	3,618,182	10.0 %	1,875,000
2	ALLIANCE VENTURE SPRING AS	Bente Loe	Board member	2,824,406	7.8 %	
3	PRIMERA AS	Per Christian Goller	Chief Growth Officer	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	FJ LABS			1,099,400	3.0 %	
7	NORUS AS			1,010,000	2.8 %	
8	REDIVIVUS AS			950,000	2.6 %	
9	SIX SIS AG			877,470	2.4 %	
10	COSIMO AS			801,000	2.2 %	
11	SIRKELBUE AS	Karl Erik Asbjørnsen	Technologist	800,000	2.2 %	500,000
12	ØSD FINANS AS	Øystein Dannevig	Chief Analytics Officer	800,000	2.2 %	
13	UNIVERSAL PRESENTKORT AS			797,699	2.2 %	
14	SES AS			797,699	2.2 %	
15	DISRUPTOR AS	Israr Khan	Chief Digital Officer	700,000	1.9 %	600,000
16	AREPO AS			658,102	1.8 %	
17	SVINDAL AKSEL LUND			650,000	1.8 %	
18	INCHOATE AS	Heiki Strengelsrud	Chief Customer Officer	610,000	1.7 %	500,000
19	ENIMAE AS			600,000	1.7 %	
20	SPORTSMAGASINET AS			584,997	1.6 %	
21	ELIGERE AS	Lene Gridseth	Chief Operating Officer	573,200	1.6 %	375,000
22	SANDSOLO HOLDING AS			550,000	1.5 %	
23	BLUE MOUNTAIN CAPITAL AS	Kjetil S. Barli	Chief Financial Officer	500,000	1.4 %	375,000
24	SIDEKICK INVEST AS	Katrine Olsen	Chief Risk Officer	500,000	1.4 %	375,000
25	OSMANI VENTURE CAPITAL AS			478,221	1.3 %	
26	STRIGEN AS			454,367	1.3 %	
27	KLØVNINGEN AS			400,000	1.1 %	
28	ASTEROIDEBAKKEN AS			319,079	0.9 %	
29	ACIER AS			302,470	0.8 %	
30	KØLLE INVEST AS			279,309	0.8 %	
	Others			8,929,143	24.6 %	312,500
	Total			36,257,140	100.0 %	6,662,500

Note 1: As registered in VPS 10 February 2020.

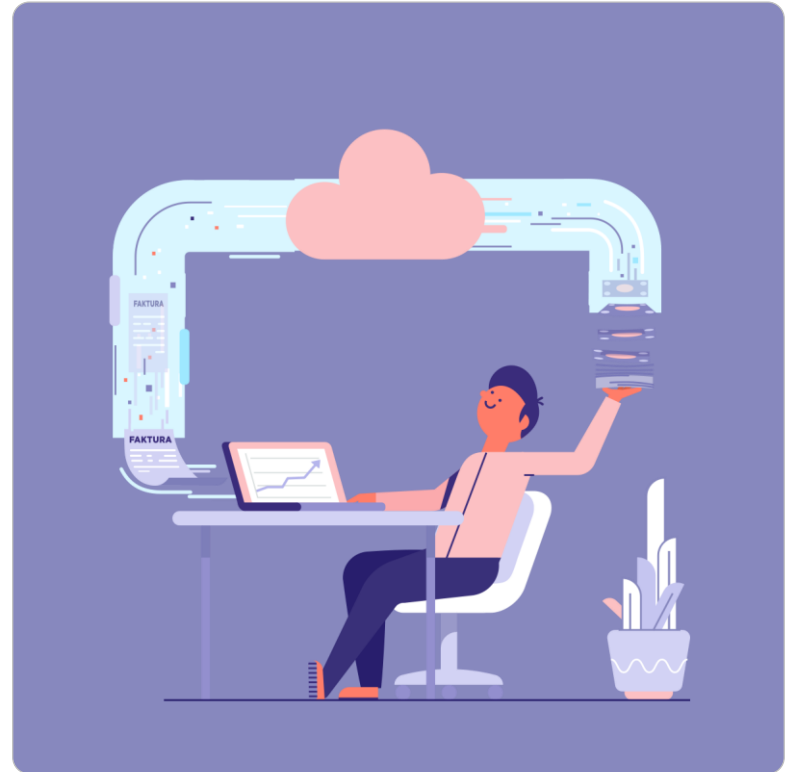
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Overview



01

Appendix



Spot factoring (from Q2 18)

Spot sale of invoices with immediate settlement and automatic booking



Spot factoring in Tripletex

The screenshot shows the Tripletex software interface. The main window displays 'Order 36' with details for 'Andreas Rose Francioar AS'. A modal window titled 'Invoicing' is open, showing the following information:

- Invoice will be sent to andreas@april.no
- Next invoice number: 4
- Invoice date: 2019-12-11
- Payment type: To be paid on due date
- Options: Create on account invoice, Sell invoice
- Invoice amount: 50,000.00 NOK
- Cost (deducted from the invoice amount): 1,383.00 NOK
- Your company will receive: 48,617.00 NOK
- Average margin in Q4-19: 2.96%
- Buttons: CANCEL, INVOICING

Unique value proposition

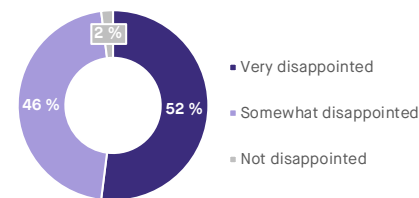
- ★ **Convenient:** money on your account within 24 hours
- ★ **No hassle:** all entries are automatically booked in your accounting system
- ★ **Flexible:** fund only what you need, when you need, without commitments or long-term contracts
- ★ **No fixed or hidden fees:** pay only for the invoices you sell

New pricing model from Jan 2020

- Combined machine-learning and rule-based optimisation model trained on three levels of data: invoice data, our own behaviour data and accounting data
- Currently 11 prediction models (P(Take Up), P(Default) etc.)
- Modular design, allowing to combine expert and machine-learning models, as well as alternative target functions

Product/market fit | How would you feel if you could no longer use the product?

- Inspired by Sean Ellis' definition of product/market fit¹, we asked our customers this question in July 2019
- Out of 242 active customers asked, 95 responded and 52% of the respondents answered "very disappointed"
- After benchmarking nearly 100 start-ups, Ellis found that the magic threshold was 40%; companies that struggled to grow almost always had less than 40% of users responding "very disappointed", whereas companies with strong traction almost always exceeded 40%



In my experience, it becomes possible to sustainably grow a product when it reaches around 40% of users who try it that would be "very disappointed" if they could no longer use it.

Sean Ellis, CEO of GrowthHackers

Credit line (from ultimo Q4 19)

Additional liquidity when you need it



Credit line

apрила

Free access
Pay only for what you use

NOK 50,000 NOK 350,000 NOK 500,000

Selected credit line: NOK 350,000
Monthly cost of use: 1.49 %

APPLY FOR CREDIT LINE

Apply online –
confirm with
BankID



We respond within
24 hours



Use the money
when you need it



Unique value proposition

- ★ **Convenient:** apply today – have the money in your account tomorrow
- ★ **Free access:** no fixed costs – pay only for what you use
- ★ **Flexible:** draw down and pay back when you want
- ★ **No hassle:** no need to pledge your home or submit your business plan

Comments

- Launched in Tripletex 16 Dec 2019
- Soft launch on kassekreditt.no 20 Dec 2019

Go-to-market strategy

01

Through ERP

- Aprila APIs are available for ERP providers to integrate and offer credit line inside ERP systems
- The ERP provider gets a commission based on gross interest income

02

Own channels

- Digital self-service application for credit line available on aprila.no and relevant landing pages (e.g. kassekreditt.no, kassakreditt.no)
- Content marketing, SEO, Adwords, Facebook, LinkedIn etc. to drive traffic to Aprila's own channels
- Next phase: establish revenue sharing agreements with relevant financial agents

Pay with Aprila (from Q3 20)

A flexible and frictionless online checkout solution for businesses



Pay with Aprila

CART

2 items

iPhone 11 Pro	NOK 16,190
MacBook Pro 16-inch	NOK 69,790
Total	NOK 85,980

PAY AS A PERSON

- Apple Pay
- Google Pay
- PayPal
- VISA
- mastercard
- Klarna

PAY AS A COMPANY

- WIRE TRANSFER
- Aprila Pay

An underserved market that represents great potential for Aprila

A high concentration of large players with a strong brand recognition

Unique value proposition

For online business customers

- ★ **Accessible** through high approval rates
- ★ **Convenient** through instant credit approval and one-click financing
- ★ **A better purchase experience** through a user-friendly financing solution
- ★ **Greater freedom of choice** with the opportunity to defer payments

For merchants

- ★ **Higher conversion** due to customer convenience
- ★ **Lower credit risk** through outsourcing of credit risk and deferred payments
- ★ **Higher customer satisfaction** through better customer experience
- ★ **Less administrative hassle** through no AML/KYC and BankID requirements for end customers

Aprila vs. competition

	Existing solutions	Pay With Aprila
Credit process	First purchase to be prepaid and manual credit process	Instant credit approval and high credit acceptance rate
Basket size	Typically up to EUR 5,000	Up to EUR 50,000
Credit terms	Fixed credit terms and up to 14 days deferred payment	Flexible credit terms and up to 90 days deferred payment
Branding and support	Branded checkout and limited EHF support	White-label checkout and full EHF support

Income statement & general administrative expenses

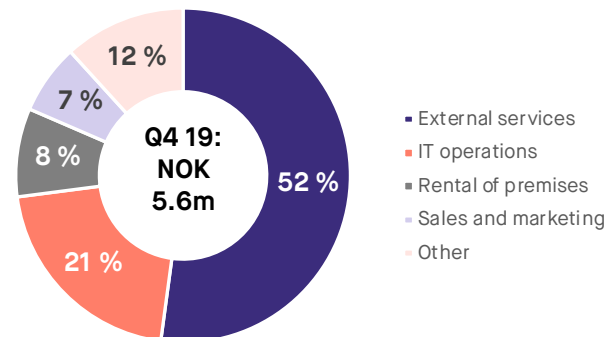


Income Statement

Amounts in NOK thousand	Q4 2019	Q4 2018	2019	2018
Interest income	3,496	2,673	10,465	3,668
Interest expense	492	52	562	158
Net interest income	3,004	2,621	9,902	3,510
Income commissions and fees	111	104	378	133
Expenses commissions and fees	912	833	3,019	982
Net commissions and fees	-801	-730	-2,642	-848
Net gains / losses (-) on certificates, bonds and currency	123	13	323	112
Other income	0	0	0	6
Total income	2,327	1,905	7,583	2,779
Salary and other personnel expenses	6,596	5,237	24,322	17,604
General administrative expenses	5,591	2,493	14,828	9,338
Total salary and administrative expenses	12,187	7,730	39,150	26,942
Ordinary depreciation	693	337	2,227	1,085
Total operating expenses excl. losses on loans	12,880	8,067	41,377	28,027
Losses on loans	924	997	2,777	1,052
Pre-tax operating profit	-11,478	-7,159	-36,570	-26,299
Tax	0	0	0	0
Profit after tax	-11,478	-7,159	-36,570	-26,299
Earnings per share (NOK)	-0.32	-0.20	-1.01	-0.73
Diluted earnings per share (NOK)	-0.26	-0.17	-0.83	-0.61

General administrative expenses

Amounts in NOK thousand	Q4 2019	Q4 2018	2019	2018
External services	2,915	838	6,488	3,632
IT operations	1,164	725	3,959	2,635
Rental of premises	478	240	1,277	961
Sales and marketing	377	117	702	769
Credit information	107	156	411	333
External audit and related services	0	0	188	28
Credit insurance	89	73	288	111
Other operating expenses	461	345	1,515	869
Total general administrative expenses	5,591	2,493	14,828	9,338



Balance sheet & regulatory capital



Balance Sheet		
<i>Amounts in NOK thousand</i>	31.12.2019	31.12.2018
Loans and deposits with credit institutions	60,593	54,639
Net loans to customers	40,885	39,619
Certificates and bonds	45,470	30,112
Other intangible assets	12,700	5,838
Deferred tax assets	0	0
Fixed assets	5,868	1,064
Other receivables	4,522	2,226
Total assets	170,038	133,500
Deposits from and debt to customers	62,194	0
Other debt	15,642	5,999
Total liabilities	77,836	5,999
Share capital	36,220	36,220
Share premium	127,036	127,036
Unregistered share capital	37	0
Other paid-in equity	1,680	446
Retained earnings	-72,771	-36,201
Total equity	92,202	127,501
Total equity and liabilities	170,038	133,500

Regulatory capital			
<i>Amounts in NOK thousand</i>		Reported ¹	Adjusted ²
	31.12.2019	31.12.2018	31.12.2018
Share capital	36,220	36,220	36,220
Share premium	127,036	127,036	127,036
Other equity	-71,054	-35,755	-35,755
Total equity	92,202	127,501	127,501
Other intangible assets	-12,700	-5,838	-5,838
AVA adjustment	-45	0	0
Deferred tax assets	0	0	0
Common equity tier 1 (CET 1)	79,456	121,663	121,663
Tier 1 capital	79,456	121,663	121,663
Total capital	79,456	121,663	121,663
Risk-weighted assets			
Loans and deposits with credit institutions	12,119	10,928	10,928
Loans to customers	32,219	37,500	30,825
Certificates and bonds	1,502	0	0
Other assets	10,390	3,291	3,291
Credit risk	56,230	51,719	45,044
Operational risk	9,669	16,067	16,067
Risk-weighted assets	65,899	67,785	61,111
Common equity tier 1 ratio (%)	120.6 %	179.5 %	199.1 %
Tier 1 ratio (%)	120.6 %	179.5 %	199.1 %
Total capital ratio (%)	120.6 %	179.5 %	199.1 %
Leverage ratio (%)	50.0 %	95.3 %	95.3 %
LCR	2162 %	217 %	217 %

