

# 2014 Fourth quarter

TrustBuddy AB (publ.)

**THIS REPORT IS A TRANSLATION AND AN ABSTRACT**

*For the full quarterly report for the period, please refer to the Swedish version.*

**TrustBuddy**  
Buddylending made simple!

# Press release 19 February 2014

## Interim report fourth quarter 2014

The Board of TrustBuddy AB (publ.), listed on NASDAQ First North, leaving the following quarterly report for October–December 2014

### TrustBuddy AB

#### Fourth quarter, October - December 2014

- » Net revenues amounted to SEK 21,8 (14,3) million, 52% increase
- » Operating earnings before depreciation, EBITDA, amounted to SEK -22,8 (-2,3) million
- » Operating earnings, EBIT, amounted to SEK -24,6 (-3,0) million
- » Earnings after tax amounted to SEK -25,4 (-3,2) million
- » Cash flow from operating activities after changes in working capital amounted to SEK -22,9 (145,8) million

*(Figures in brackets refer to the corresponding period last year)*

#### The entire report period, January-December 2014

- » Net revenues amounted to SEK 85,1 (57,8) million, 47% increase
- » Operating earnings before depreciation, EBITDA, amounted to SEK -30,8 (-2,5) million
- » Operating earnings, EBIT, amounted to SEK -35,8 (-5,2) million
- » Earnings after tax amounted to SEK -36,5 (-5,5) million
- » Cash flow from operating activities after changes in working capital amounted to SEK -94,4 (145,0) million

*(Figures in brackets refer to the corresponding period last year)*

#### The merger of TrustBuddy International AB and TrustBuddy AB

On February 13, 2015, the merger of TrustBuddy AB and TrustBuddy International AB was completed. This means that TrustBuddy International AB has dissolved and all its assets and liabilities have been transferred to TrustBuddy AB.

#### New accounting policies for greater transparency

TrustBuddy has transitioned to reporting in accordance with the new K3 regulatory framework. K3 is mandatory for companies that are classified as large under the Annual Accounts Act. The company is also enacting this transition in the interest of ultimately providing an illustration of the company's activities that is as fair and accurate as possible.

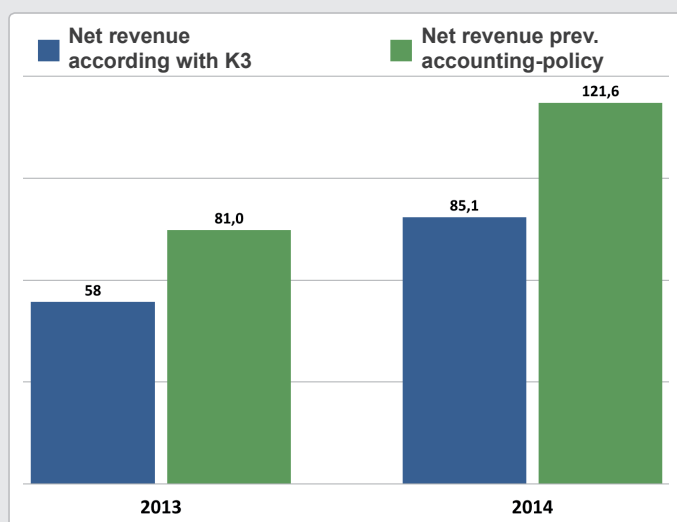
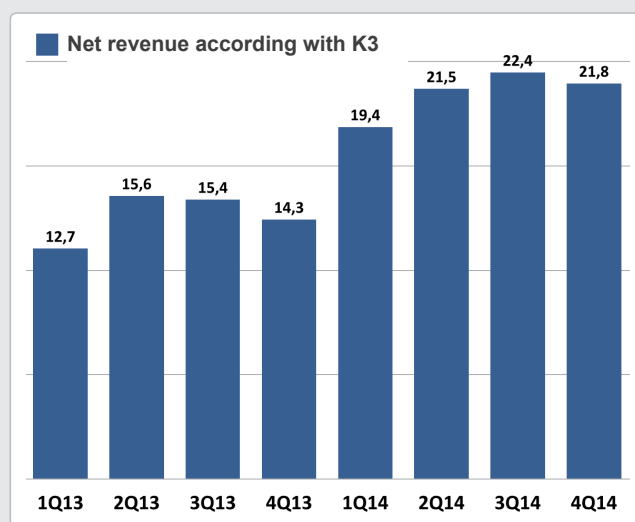
In conjunction with the transition to K3, TrustBuddy have simultaneously opted to implement some other accounting-policy amendments to further increase transparency. One of the most important amendments pertains to interest income that is transferred directly onward to TrustBuddy's members.

Through the third quarter of 2013, this income was recognized as an income and an expense of equal amount. In practice, these two interest items cancel each other out, hence their elimination from the statement of profit or loss as of the fourth quarter of 2014.

As a result of this amendment, out sales appear to shrink, though it in fact has no impact whatsoever on the company's profitability.

To facilitate the assessment of TrustBuddy's actual growth, we will be stating figures in this report using both the new and old accounting policies, including figures from the past.

#### Comparison Net revenue prev. and new accounting principle (SEK million)



# TrustBuddy AB

The operating activities are conducted through TrustBuddy AB org. No. 556794-5083 from offices in Stockholm and with support functions in each market and country. Figures reported below, refers only to TrustBuddy AB including affiliates and is therefore not the Group's consolidated financial statements.

## TrustBuddy AB – Net revenue and earnings

### Fourth quarter, October - December 2014

- » Net revenues amounted to **SEK 21,8 (14,3) million (+52%)**
- » Earnings, EBITDA, amounted to **SEK -13,3 (-5,7) million**

### The entire report period, January - December 2014

- » Net revenues amounted to **SEK 85,1 (57,8) million (+47%)**
- » Earnings, EBITDA, amounted to **SEK -21,3 (2,7) million**

## TrustBuddy AB – Volume and numbers

### Fourth quarter, October - December 2014

- » Total number of loans: **64.102 pcs (+38,25% compared to the previous quarter)**
- » Total amount lent: **SEK 233,7 million (+76,49% compared to the previous quarter)**

### The entire report period, January - December 2014

- » Total number of loans: **251.307 pcs (+53,79% compared to the previous year)**
- » Total amount lent : **SEK 827,7 million (+57,01% compared to the previous year)**

# Geldvoorelkaar

Geldvoorelkaar is Trustbuddys SME brand in the Netherlands and the numbers show the lending volume (EUR) and number of loans issued during the periods indicated. Consolidation of accounts is from 17th December 2014.

## Geldvoorelkaar – Volume and numbers

### Fourth quarter, October - December 2014

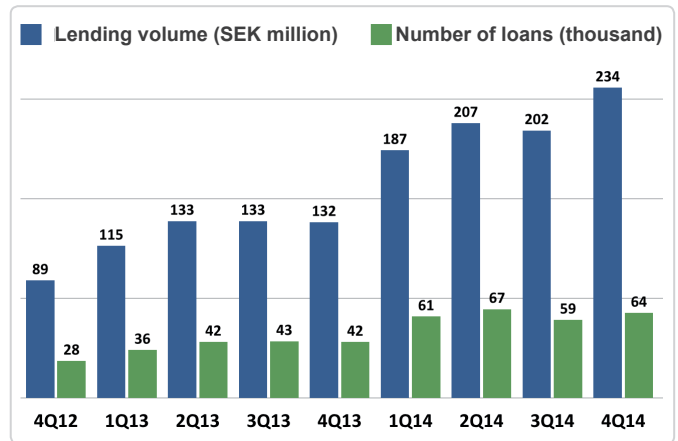
- » Total number of loans: **94 st (-1.05% yoy, +36.23% qoq)**
- » Total amount lent: **EUR 9.25 m (+53.23% yoy, +40.41% qoq)**

### The entire report period, January - December 2014

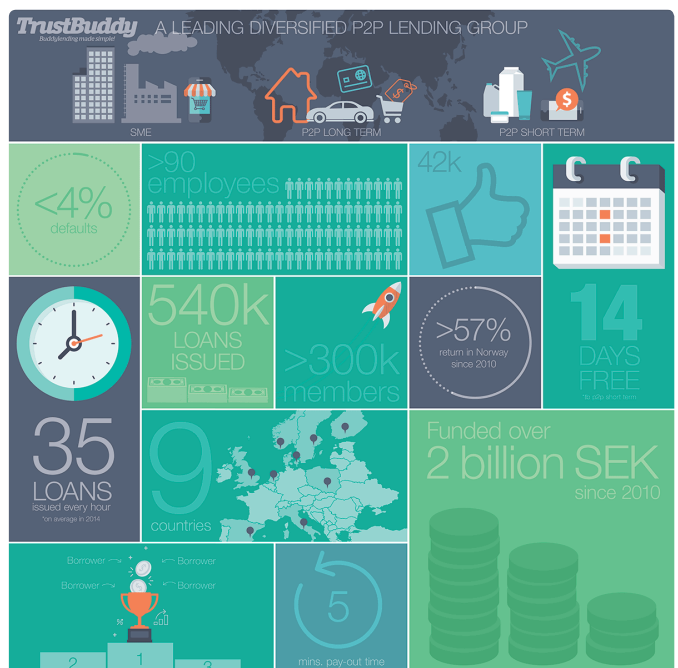
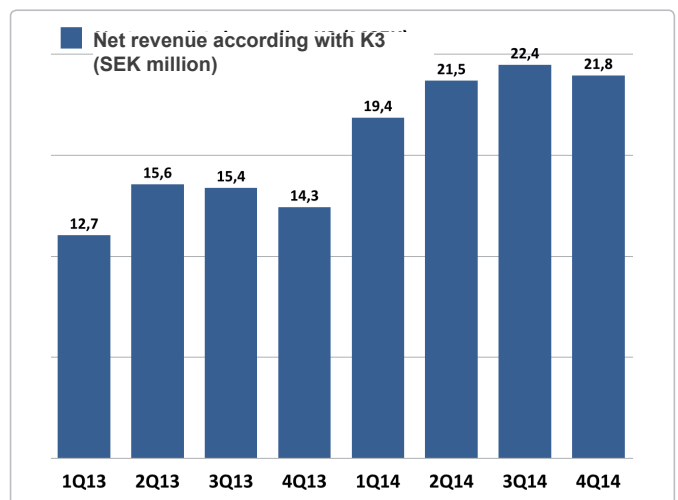
- » Total number of loans: **286 st (+10.42% yoy, 259 FY13)**
- » Total amount lent: **EUR 28.9 m (+67.19% yoy, EUR17.29m FY13)**



Nr of loans administred in thousands



Net revenue: According prev. and new accounting principle K3



# CEO's comments

**TrustBuddy faces an incredibly exciting period ahead, and is currently in the process of advancing and expanding its operations to create one of Europe's leading peer-to-peer lending companies.**

Sales for the year rose from SEK 57.8 million to 85.1 million, according to our new accounting policies (refer to fact box). During the fourth quarter, we bolstered sales by 52 percent to SEK 21.8 million.

In terms of earnings, we made major investments late in the year in areas including a new and ultra-modern IT platform, license applications and campaigns. We also implemented some organizational changes – which I will soon discuss – that, while necessary, also entailed some one-time expenses.

As a result, we posted a loss for the year of SEK 36 million. However, I am confident that our performance will be positive as a result of stringent cost control measures.

During the year, we worked hard to be able to offer even better terms to lenders who use TrustBuddy's platform. For instance, we enhanced the efficiency of our internal procedures, fine-tuned our credit assessment process and strengthened our collaborations with debt collection partners. For us, it is strategically important to provide as competitive an offering as possible to this group of investors.

Despite high growth, we can conclude that 2014 was ultimately a transitional year for TrustBuddy. We were unable to grow quite as quickly as I had hoped. As President, I am not completely satisfied with the level of our earnings. Like many other rapidly growing entrepreneurial companies, we encountered challenges that were greater than we may have anticipated. One setback was the Swedish Financial Supervisory Authority's rejection in the summer of 2014 of an application to conduct financing operations.

Although setbacks are always challenging, I find them to be a source for the drive to improve our operations even further. For us, these challenges serve as a signal that we, the TrustBuddy team, must further accelerate our transition from being a startup to our current position as a more mature business.

The autumn of 2014 was highly eventful. We have a new board in place comprising individuals who possess extensive experience from the finance sector. Our chairman, Simon Nathanson, has held such posts as President of Neonet and Executive Vice President of NASDAQ, in addition to which he served on the board of Nordnet. We have also initiated efforts to assemble a new management team for the Group. I personally made the transition from being CFO to acting President during the autumn of 2014, and our search for a permanent CEO is under way. During the fourth quarter, merger proceedings were also initiated with the acquired Dutch subsidiary, Geldvoorelkaar. More on that below.

Our current application for a permit to conduct consumer credit operations from the Swedish Financial Supervisory Authority is based on a new and far more substantial structure than the one we had in the summer of 2014.

However, we have achieved far more than simply creating structures and

gathering experts for our board and management teams. We have also continued our efforts to advance our business. In 2014, we implemented a new IT platform for peer-to-peer lending. When this becomes fully operational, it will add increased efficiency to our own operations, while also offering our customers and members – meaning borrowers and lenders – enhanced services and more comprehensive information.

We know that the loans that we mediate fill a key function for individuals who find themselves in temporary financial binds, such as in conjunction with an emergency visit to the dentist or for car repairs. Our model enables us to offer loans even when the major banks lack a suitable product, without the borrower being forced to turn to unethical and unprofessional parties.

In 2015, we will gradually expand our portfolio with new peer-to-peer lending products. After the summer, I anticipate that we will be able to launch our lending products for SMEs in new countries. SMEs, and specifically exciting new entrepreneurial startups, are experiencing extreme difficulty in securing financing through conventional channels. Our experience in such countries as the US and UK demonstrates that the peer-to-peer model works very well.

In November 2014, TrustBuddy acquired the Dutch company Geldvoorelkaar. We aim to launch their lending products in several of TrustBuddy's existing markets in 2015. The acquisition of Geldvoorelkaar is fully in line with our strategy to achieve growth both organically and by acquiring other peer-to-peer financing businesses. By implementing our proprietary developed platform for peer-to-peer lending in tandem with Geldvoorelkaar, we can strengthen TrustBuddy's offering and position in a number of highly exciting and growing European markets. In Geldvoorelkaar, TrustBuddy has also gained valuable management experience that complements our existing team.

Geldvoorelkaar enjoyed a successful 2014 with a growth of 67 percent. The company successfully exceeded expectations with a lending volume of EUR 28.9 million. Geldvoorelkaar is the market leader in the Netherlands with peer-to-peer loans directed to small and medium enterprises.

We will also expand our portfolio of products geared toward private individuals, offering larger loans over longer periods. At the same time, lenders who are members of our platform will be provided with even better tools for analyzing their investments. As President, I regard looking after the needs of our thousands of members as absolutely imperative. It is thanks solely to their commitment and investments that we can mediate loans to private individuals, and soon also companies.

2014 was a challenging year during which we took the opportunity to implement a number of necessary changes. Today, TrustBuddy stands strong and ready to continue building on our vision of being one of Europe's leading peer-to-peer lending companies.

**Linus Lönnroth**  
CEO, TrustBuddy AB (publ)

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<http://trustbuddyinternational.com/>

**TrustBuddy**  
*Buddylending made simple!*

# KEY FIGURES

	14-10-01	14-01-01	13-10-01	13-01-01
<b>Data per share</b>	14-12-31	14-12-31	13-12-31	13-12-31
Number of shares outstanding	405 546 722	405 546 722	326 268 566	326 268 566
Average number of shares during the period	388 478 808	342 856 079	283 619 057	276 127 910
Average number of shares after dilution	430 116 993	386 626 593	291 719 057	284 227 910
Total number of shares after dilution	464 248 907	464 248 907	372 206 751	372 206 751
Earnings per share before dilution SEK	-0,07 kr	-0,11 kr	-0,01 kr	-0,02 kr
Earnings per share after dilution, SEK	-0,06 kr	-0,09 kr	-0,01 kr	-0,02 kr
Equity per share, SEK	0,30 kr	0,30 kr	0,18 kr	0,18 kr
<b>Key figures</b>	14-12-31	14-12-31	13-12-31	13-12-31
ROI, %	Neg	Neg	Neg	Neg
Solidity, %	59%	59%	33%	33%
The average number of employees	53	53	34	34
<b>Changes in equity</b>	14-10-01	14-01-01	13-10-01	13-01-01
	14-12-31	14-12-31	13-12-31	13-12-31
Presented Opening balance	49 103	57 486	11 241	80 552
Adjustment of Opening balance	-	-	-	-72 072
<b>Adjusted Opening balance</b>	<b>49 103</b>	<b>57 486</b>	<b>11 241</b>	<b>8 480</b>
New issue	60 824	60 824	55 496	62 249
Cash issue	36 019	36 019	-	-
Share issue costs	-	-	-5 942	-5 942
Warrants	-	2 451	-	231
Dividend	-	-	-	-2 758
Adjusted earnings in previous years	-	-	-	701
Net earnings this period	-25 386	-36 452	-3 305	-5 525
Exchange differences	-639	-407	-4	50
Closing balance	<b>119 921</b>	<b>119 921</b>	<b>57 486</b>	<b>57 486</b>

\* Comparisons according to the adopted Annual Report 2013, adjusted for changes in accounting principles

## Definitions of key figures

<b>EBITDA</b>	Earnings before interest, taxes, amortization, depreciation
<b>EBIT</b>	Profit before interest and tax
<b>Earnings per share</b>	Shareholders' equity at the balance sheet date divided by the number of shares outstanding.
<b>Earnings per share before dilution</b>	Earnings for the period in relation to the average number of shares.
<b>Earnings per share after dilution</b>	Earnings for the period in relation to the average shares outstanding after dilution.
<b>Equity per share</b>	Equity at the end of the period divided by number of shares outstanding.
<b>Return on equity capital</b>	Earnings after financial items in relation to equity and untaxed reserves (net of deferred tax).
<b>Solidity</b>	Equity capital and untaxed reserves (net of deferred tax) in relation to total assets.

# Operations

## SALES AND EARNINGS

### October 1-December 31 2014

Consolidated net sales for the period amounted to SEK 21,8 (14,3) million.  
Operating profit before depreciation, EBITDA, was -22,8 (-2,3) million.  
Depreciation primarily derived from activation on development works.  
Operating profit, EBIT, amounted to SEK -24,6 (-3,0) million.  
Profit after tax amounted to SEK -25,4 (-3,2) million.  
Earnings per average share was negative both before and after dilution.  
Earnings per share for the period was negative.

### 1 January to 31 December 2014

Consolidated net sales for the period amounted to SEK 85,1 (57,8) million.  
Operating profit before depreciation, EBITDA, was -30,8 (-2,5) million.  
Depreciation primarily derived from activation on development works.  
Operating income, EBIT, amounted to SEK -35,8 (-5,2) million.  
Profit after tax amounted to SEK -36,5 (-5,5) million.  
Earnings per average share was negative both before and after dilution.  
Earnings per share for the period was negative.

Net revenue for the operating subsidiary TrustBuddy AB for the period July-September amounted to SEK 21,8 (14,3) million. Earnings before depreciation, EBITDA for the period October-December amounted to SEK -13,3 (-5,7) million.

Net revenue for the period January-December amounted to SEK 85,1 (57,8) million. Earnings before depreciation, EBITDA for the period January - December amounted to SEK -21,3 (2,7) million.

## TAX

### October 1-December 31 2014

Group tax expense for the period October-December amounted to SEK -0,6 (0,1) million.

### 1 January to 31 December 2014

Group tax expense for the period January-December amounted to SEK -0,7 (-0,2) million.

## MARKET OVERVIEW

The Nordic market for short-term financing has grown substantially in recent years, and currently comprises a more mature market with a number of professional companies. The global growth rate continues to accelerate and the proportion of borrowers who find the P2P market an attractive alternative for both short and long-term financing is increasing considerably.

The company does not foresee any signs that indicate that the P2P market is saturated – quite the contrary in fact, leaving ample room for continued growth in all of the company's active markets, with a primary focus on long-term financing.

2014 was an intense year in the P2P lending market. During the year, an entirely new regulatory framework was instituted in the UK, and the

predominant US player, LendingClub, enjoyed a successful IPO on the stock exchange, becoming the world's second P2P company to publicly list its shares after TrustBuddy.

Although there are currently no direct competitors who operate on the basis of a comparable IT-based, Peer-to-Peer, P2P platform in the short-term financing segment, multiple new companies in the Nordic market are being established in the long-term financing segment, which, in TrustBuddy's assessment, promotes a strong market. TrustBuddy's primary geographic markets (the Netherlands, Sweden, Denmark and Finland), and the Dutch market in particular, are signaling continued growth and healthy demand.

P2P financing for small to mid-sized companies has grown by nearly 90 percent in lending volume in the Netherlands from 2013 to 2014 (EUR 27 / EUR 51 million). During the same period, Geldvoorelkaar, TrustBuddy's Dutch SME crowdfunding brand, has increased its lending volume by 67 percent (EUR 17,3 / EUR 28,9 million). Geldvoorelkaar is the market leader in the Netherlands, commanding a market share of 57 percent at year-end 2014.

## FINANCIAL POSITION AND CASH FLOW

### October 1-December 31 2014

Cash-flow from operating activities after changes in working capital was SEK -22,9 (145,8) million.

### 1 January to 31 December 2014

Cash-flow from operating activities after changes in working capital amounted to SEK -94,4 (145,0) million.

## FINANCING

The Group has an equity capital of SEK 119,9 (57,5) million, and an equity ratio of 59% (33%)%. The company is self-funded and has an interest-bearing debt equal to SEK 34.2 million related to the acquisition of Geldvoorelkaar.

TrustBuddy has 405 546 722 shares representing a share capital of SEK 15 917 635. The quota value is SEK 0,039. Each share carries one voting right way voice and all shares have equal rights to dividends and surplus on liquidation.

## INVESTMENTS

### October 1-December 31 2014

Investments during the period amounted to SEK -99,5 (-0,2) million.

### 1 January to 31 December 2014

Investments during the period amounted to SEK -111,8 (-1,7) million.

Focus and resources during the period has been directed to the development of the company's new IT platform, which was launched in June. The platform that puts TrustBuddy ahead of the competition in the segment has a high degree of automation regarding payments and credit checks for increased speed in case management and scalability. In addition, as mentioned earlier, the company Geldvoorelkaar has been acquired.

## EMPLOYEES

The average number of employees in the Group at end of period 53 (34).

## INCENTIVE PROGRAM

There are four incentive programs

The first incentive program is targeted at key employees. Pricing is according to the Black-Scholes option pricing model. Holders of warrants will be entitled to for each warrant to subscribe for one (1) new share in the Company at a subscription price equal to 140 percent of the average price of the Company's shares between 29 May 2012 and 26 June 2012.

Application for subscription of shares during the period from 1 May 2014 to 1 July 2014, and from 1 May 2015 and 1 July 2015th.

The second program was decided at the AGM 2013-12-09. Eligible for subscription, with deviation from the shareholders' preferential rights, be JAC Invest AS, Cryptonymous AS, Fibi AS, Rugl AS, Bøen Spar AS, Lise og Arnfinn Hejes Fund, TTT AS, Bert AS, ovata Invest AS, Firm Factory AB and TrustBuddy AB why no oversubscription can occur.

Each warrant will entitle the holder to subscribe for one (1) new share in the Company at a subscription price of SEK 1,20 and shares, in accordance with the terms of the warrants, may take place from 30 October 2015 until 31 December 2015.

The third and fourth program approved by the Annual Meeting on 17 December 2014 and consists of 12,880,000 warrants for members of senior management and other key employees, as well as an incentive for board members consisting of 4,184,000 warrants.

The number of unexercised warrants as of December 31, 2014 amounted to a total of 58,702,185 pieces and is initially represented by one (1) warrant certificate, or multiples thereof, addressed to the holder.

## EVENTS DURING THE REPORTING PERIOD

Full details are available on the Company website [www.trustbuddyinternational.com](http://www.trustbuddyinternational.com) under "Press Releases". Below refer to events of significant nature.

- 22.12.2014** Applying for a swedish credit facilitator license
- 19.12.2014** Assignment of shares in connection with the acquisition of geldvoorelkaar
- 16.12.2014** TrustBuddy completes the new share issue in connection with the acquisition of geldvoorelkaar
- 16.12.2014** New acting CEO
- 20.11.2014** Interim report third quarter 2014

- 17.11.2014** Extraordinary general meeting of TrustBuddy International AB
- 14.11.2014** Results of placing bookbuild
- 14.11.2014** Equity issue and financing agreement
- 14.11.2014** Becoming the world's most diversified p2p lender
- 13.11.2014** Proposed equity raise
- 13.11.2014** TrustBuddy acquires italian peer-to-peer lender company prestiamoci
- 13.11.2014** TrustBuddy acquires dutch peer-to-peer lender company geldvoorelkaar
- 13.11.2014** Acquisition of italian and dutch peer-to-peer companies
- 28.10.2014** Extraordinary shareholders' meeting for TrustBuddy International AB [publ]
- 24.10.2014** TrustBuddy announces its second major institutional lending capital investor [€12m]
- 13.10.2014** TrustBuddy propose company merger to ensure adaptation to the new regulatory requirements

## EVENTS AFTER THE REPORTING PERIOD

Full details are available on the Company website [www.trustbuddyinternational.com](http://www.trustbuddyinternational.com) under "Press Releases". Below refer to events of significant nature.

- 13.02.2015** The merger between TrustBuddy ab [publ] and TrustBuddy International AB [publ] have been registered with the Swedish companies registration office
- 02.02.2015** The merger between TrustBuddy ab [publ] and TrustBuddy international ab [publ]

## PARENT COMPANY

### October 1-December 31 2014

Company Net sales for the period amounted to SEK 0,0 (0,2) million. Profit after financial items amounted to SEK -4,2 (-1,1) million. Shareholders' equity amounted to SEK 231,7 (141,2) million, representing an equity ratio of 99 (99) percent.

### 1 January to 31 December 2014

Company Net sales for the period amounted to SEK 1,7 (0,6) million. Profit after financial items amounted to SEK -9,1 (-4,6) million.

TrustBuddy AB (publ) has as its main task is to provide management functions to its subsidiary, TrustBuddy AB. There is also the parent company

# TrustBuddy

*Buddylending made simple!*



#### Safe

Loan 100-600€  
Always free for 14 days  
No hidden costs



#### Fast

Free membership, easy overview  
Answer within 15 minutes  
First class customer service



#### Flexible

You are loaning from other persons  
Quick and easy registration

functions that are directly related to the parent company as a publicly listed company, including investor relations, interface with Nasdaq, Euroclear, Certified Adviser and Others.

## PRINCIPLES OF REPORTING

This report has been prepared in accordance with the Annual Accounts Act and BFAR 2012: 1 (K3). Since this is the first time K3 is applied, the comparative figures restated according to K3. The transition to the K3 has brought change in accounting principle for the Group and the recognition of interest income and expenses on behalf of others and also a separation of client funds in the balance sheet.

## ESTIMATES

In order to prepare the financial statements, the board and senior management make estimates and assumptions that affect the company's earnings and financial position and other information disclosed.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are expected to be reasonable under the circumstances. Actual results may differ from estimates.

The areas where estimates and assumptions could pose significant risk to adjustments in reported values for the results and financial position in future reporting periods are primarily evaluated on;

market conditions, the useful life of the Group's intangible assets, impairment testing for goodwill, the valuation of non-capitalized deferred tax assets, valuation of accounts receivable.

## RISKS AND UNCERTAINTIES

The P2P industry is growing and advancing, and we can expect the authorities to increasingly scrutinize the industry and the prevailing regulations. This may lead to a change in the operating scenario, thus influencing TrustBuddy's business.

The company does not believe that any material risks have developed, beyond those described in the 2013 annual report.

TrustBuddy has opted to gear itself toward a market segment that is predicated on low risk and high volumes, thus creating its own niche. Access to capital as well as the influx of new customers constitute uncertainties.

However, successful online marketing combined with professional companies providing lending services, appear to have minimized this uncertainty.

## TRANSACTIONS WITH RELATED PARTIES

No significant changes have been made to the Group or its parent in relationships or transactions with related parties compared with that described in the Annual Report 2013.

## DISPUTES AND LEGAL PROCESSES

No disputes or legal proceedings have occurred in the fourth quarter.

## FORWARD-LOOKING INFORMATION

TrustBuddy is one of Europe's leading companies in P2P, Peer-to-Peer, lending. TrustBuddy offers short and long-term loans under two brands, TrustBuddy and Geldvoorelkaar, in a total of seven European countries.

The company is of the assessment that the sharp growth in the P2P lending market will continue in 2015. After the successful IPO of the US company LendingClub, followed by Ondeck Capital, the company believes that the P2P market will receive more attention than in the past from authorities, investors and consumers. It is the company's assessment that other P2P companies, particularly in Europe, will initiate IPO proceedings. TrustBuddy anticipates the interest from both major and minor investors to increase significantly since they are seeking an attractive investment alternative in the current market, which is nearing deflation.

TrustBuddy also anticipates increased attention from major global investors who want to gain ownership posts in the P2P sector in 2015, to secure a position for institutional lending. An ongoing trend is that US investors are focusing on Europe, since it has become more challenging to lend their capital to others in their domestic market. In our assessment, the increased interest is beneficial to the sector in general since it adds greater liquidity and lays the foundation for continued growth for TrustBuddy and other major global P2P companies.

TrustBuddy intends to continue its expansion into new markets in 2015. This expansion is primarily taking place through Geldvoorelkaar's SME-g geared product to the Nordic region and Belgium.

The Dutch government continues to support the expansion of crowdfunding, which was made clear by the recent announcement that the current highest investment limit, of EUR 40,000 per individual lender, is being eliminated. As of January 1, 2016, there will be no legal limit regarding the size of the investment amount. The Dutch government is actively promoting crowdfunding as a serious alternative to banks in terms of financing for small to mid-sized companies. This support, coupled with the growing acceptance displayed by other professional players, such as banks, institutional investors and pension funds, confirms the expectation that the Dutch crowdfunding industry will generate substantial growth during 2015 as well.

## AUDIT

The original report is in Swedish – This is an excerpt.

## TRUSTBUDDY IN BRIEF

TrustBuddy is a credit intermediary in the market for short-term (consumer credit) and long-term financing (credit for SMEs, small and mid-sized enterprises). The company offers private individuals and SMEs the opportunity to borrow and lend money to and from each other, which is also known as Peer-to-Peer lending or P2P (it is generally referred to as crowdfunding in the Netherlands). TrustBuddy is the first and largest P2P company in the Nordic region and the Netherlands, and conducts operations in the markets in Sweden, the Netherlands, Denmark, Finland, Spain and Poland.

Operations are exclusively conducted via the company's proprietary developed websites [trustbuddy.com](http://trustbuddy.com) and [geldvoorelkaar.nl](http://geldvoorelkaar.nl), where all customers become members by registering an account and indicating whether they want to apply for a loan or if they want to invest capital in the company's platform.

Loan agreements are drawn up directly between the private individuals or companies, SMEs, while all administrative aspects of the loans are handled by TrustBuddy. Members are offered a secure and effective way to apply for or invest money at clearly indicated costs and incomes.

As a security precaution for all parties, members who register must verify their identity by way of BankID, or the corresponding alternative in each geographic market, prior to the application or investment being registered. In conjunction with the registration and in regular intervals thereafter, the members will be subject to credit checks to verify and ensure their credit-worthiness. These safety measures are required to maintain a service that is as secure as possible for both investors and borrowers.



## MARKET LISTING

The company's shares are listed on NASDAQ First North. Highest price paid at 30 December was SEK 1,23.

## CERTIFIED ADVISER

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## REPORT FROM THE CEO

### Questions regarding this report will be answered by:

Linus Lönnroth, CEO TrustBuddy AB (publ)

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Phone: +46(0) 8 562 59 600

## FORTHCOMING FINANCIAL INFORMATION

Annual Report 2014:	27 March 2015	Year End report Q4 2015:	18 February 2016
Annual General Meeting:	15 April 2015	Annual Report 2015:	6 April 2016
Interim Report Q1:	20 May 2015	Annual General Meeting:	27 April 2016
Interim Report Q2:	19 August 2015		
Interim Report Q3:	19 November 2015		

All reports are available after publishing on the website:  
<http://trustbuddyinternational.com>

# Result from group

	2014 3 MONTHS OCT - DEC	2013 3 MONTHS OCT - DEC	2014 12 MONTHS JAN - DEC	2013 12 MONTHS* JAN - DEC
<b>Amount in KSEK</b>				
Net revenue	21 829	14 301	85 081	57 846
Capitalized work for own account	382	-	1 459	-
Other earnings	2 257	-	2 257	-
	<b>24 468</b>	<b>14 301</b>	<b>88 797</b>	<b>57 846</b>
<b>Operating costs</b>				
Direct costs	-6 283	-4 886	-15 598	-4 886
Other external costs	-26 846	-6 384	-66 185	-35 295
Staff costs	-14 343	-5 234	-37 767	-19 599
Depreciation and impairment of Intangible costs	-1 783	-706	-5 029	-2 692
Other operating costs	234	-73	-	-583
<b>Total operating costs</b>	<b>-49 021</b>	<b>-17 283</b>	<b>-124 579</b>	<b>-63 055</b>
<b>Operating result</b>	<b>-24 553</b>	<b>-2 982</b>	<b>-35 782</b>	<b>-5 209</b>
Other interest receivable and Similar incomes	-160	8	101	135
Interest payable and similar charges	-27	-89	-63	-239
<b>Total result from financial investment</b>	<b>-187</b>	<b>-81</b>	<b>38</b>	<b>-104</b>
<b>Result after financial posts</b>	<b>-24 740</b>	<b>-3 063</b>	<b>-35 744</b>	<b>-5 313</b>
Tax for the period	-646	-124	-708	-212
<b>Result of the period.</b>	<b>-25 386</b>	<b>-3 187</b>	<b>-36 452</b>	<b>-5 525</b>

\* Comparisons according to the adopted Annual Report 2013, adjusted for changes in accounting principles

# Consolidated balance

Amount in KSEK	2014-12-31	2013-12-31*
<b>ASSETS</b>		
<b>Fixed Assets</b>		
<i>Intangible Assets</i>		
Balanced expenses research and dev.	20 625	7 319
Goodwill	101 665	3 200
<i>Tangible fixed assets</i>		
Equipment, tools and installations	-	15
<i>Financial Assets</i>		
Other long term assets	782	272
<b>Total Fixed Assets</b>	<b>123 072</b>	<b>10 806</b>
<b>Current Assets</b>		
<i>Short-term receivables</i>		
Accounts receivables	150	98
Tax receivable	-	170
Other current receivables	18 056	6 159
Prepayments and accrued income	8 282	5 819
Cash and cash equivalents	40 174	47 953
cClient funds	15 226	101 828
<b>Total current assets</b>	<b>81 888</b>	<b>162 027</b>
<b>Total Assets</b>	<b>204 960</b>	<b>172 833</b>

Amount in KSEK	2014-12-31	2013-12-31*
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<i>Restricted equity Share</i>		
Share capital	15 918	12 806
Restricted reserves	-	339
Non-restricted equity	140 455	49 866
Net profit for the period	-36 452	-5 525
<b>Total Equity</b>	<b>119 921</b>	<b>57 486</b>
<b>Provisions</b>		
Other long-term liabilities	34 221	-
Deferred taxes	-	96
<b>Total long-term liabilities</b>	<b>34 221</b>	<b>96</b>
<b>Current liabilities</b>		
Trade accounts payable	7 466	6 433
Tax liabilities	909	-
Other current liabilities	6 983	3 022
Client funds Debt	15 226	101 828
Accrued expenses and deferred income	20 235	3 968
<b>Total current liabilities</b>	<b>50 819</b>	<b>115 251</b>
<b>Total equity and liabilities</b>	<b>204 961</b>	<b>172 833</b>

\* Comparisons according to the adopted Annual Report 2013, adjusted for changes in accounting principles

# Cash flow from group

Amount in KSEK	2014	2013	2014	2013
	3 MONTHS OCT-DEC	3 MONTHS OCT-DEC	12 MONTHS JAN-DEC	12 MONTHS* JAN - DEC
<b>Cash flow from operating activities</b>				
Operating profit before financial items	-24 553	-2 982	-35 782	-5 209
Paid interest	-27	-89	-63	-239
Received interest	-160	8	101	135
Income taxes paid	3 115	-531	1 079	-902
Adjustment for items not included in the result	31 604	731	34 969	3 683
<b>Cash flow from operating activities before changes in working capital</b>	<b>9 979</b>	<b>-2 863</b>	<b>304</b>	<b>-2 532</b>
Increase/decrease in current trade receivables	-101	86	-52	3 312
Increase/decrease in current receivables	-92 828	-5 816	-100 962	-7 125
Increase/decrease in current liabilities	110 909	105 038	21 165	99 554
<b>Cash flow from operating activities</b>	<b>27 959</b>	<b>96 445</b>	<b>-79 545</b>	<b>93 209</b>
<b>Investing activities</b>				
Investments in intangible assets	-111 771	-	-111 771	-
Investments in tangible fixed assets	69	-	-	-17
Capitalised expenditure	11 764	-208	-	-1 693
Investments in other financial assets	429	-	-	-
<b>Cash flow from investing activities</b>	<b>-99 509</b>	<b>-208</b>	<b>-111 771</b>	<b>-1 710</b>
<b>Financing activities</b>				
Stock Options	-2 282	-	169	231
Change in long-term receivables	-510	-9	-510	-230
Change in long-term liabilities	34 221	-	34 221	-
Dividends	-	-	-	-2 758
New issue	63 055	49 544	63 055	56 307
<b>Cash flow from financing activities</b>	<b>94 484</b>	<b>49 535</b>	<b>96 935</b>	<b>53 550</b>
<b>Cash flow for the period</b>	<b>22 934</b>	<b>145 772</b>	<b>-94 381</b>	<b>145 049</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>32 466</b>	<b>4 009</b>	<b>149 781</b>	<b>4 732</b>
<b>Cash and cash equivalents, end of period</b>	<b>55 400</b>	<b>149 781</b>	<b>55 400</b>	<b>149 781</b>

\* Comparisons according to the adopted Annual Report 2013, adjusted for changes in accounting principles

## Result from parent company

	2014 3 MONTHS OCT - DEC	2013 3 MONTHS OCT - DEC	2014 12 MONTHS JAN - DEC	2013 12 MONTHS* JAN - DEC
<b>Amounts in KSEK</b>				
Net revenue	-	206	1 656	636
Other operating revenues	18	1	20	15
<b>Total operating revenue</b>	<b>18</b>	<b>207</b>	<b>1 676</b>	<b>651</b>
<b>Operating expenses</b>				
Other external expenses	-4 224	-963	-10 669	-5 039
Other operating expenses	-25	-	-83	-
<b>Total operating expenses</b>	<b>-4 249</b>	<b>-963</b>	<b>-10 752</b>	<b>-5 039</b>
<b>Operating earnings</b>	<b>-4 231</b>	<b>-756</b>	<b>-9 076</b>	<b>-4 388</b>
Result from shares in Group companies	-	-377	-	-377
Other interest receivable and similar income items	-	-	-	119
Interest and similar expense items	-	0	-15	-2
<b>Total income from financial investments</b>	<b>-</b>	<b>-377</b>	<b>-15</b>	<b>-260</b>
<b>Profit after financial items</b>	<b>-4 231</b>	<b>-1 133</b>	<b>-9 091</b>	<b>-4 648</b>
Appropriations	-	-	-	360
Tax on earnings	-	101	-	-422
<b>Profit for the period</b>	<b>-4 231</b>	<b>-1 032</b>	<b>-9 091</b>	<b>-4 710</b>

\* Comparisons according to the adopted Annual Report 2013, adjusted for changes in accounting principles

# Balance parent company

Amount i KSEK	2014-12-31	2013-12-31*
<b>ASSETS</b>		
<i>Financial Assets</i>		
Shares in group company	250 828	92 281
<b>Total Fixed Assets</b>	<b>250 828</b>	<b>92 281</b>
<b>Current Assets</b>		
<i>Short-term receivables</i>		
Receivables from group companies	456	10 591
Other current receivables	8	383
Prepayments and accrued income	2 421	140
Cash and cash equivalents	18 318	44 742
<b>Total current assets</b>	<b>21 203</b>	<b>55 856</b>
<b>Total Assets</b>	<b>272 031</b>	<b>148 137</b>
Amount in KSEK	2014-12-31	2013-12-31*
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share Capital	15 918	12 806
Restricted reserves	10 013	10 013
Share premium account	287 369	190 357
Balanced earnings	-72 528	-67 266
Net profit for the period	-9 091	-4 710
<b>Total equity</b>	<b>231 681</b>	<b>141 200</b>
<b>Provisions</b>		
Other long-term liabilities	34 221	-
<b>Total long-term liabilities</b>	<b>34 221</b>	<b>-</b>
<b>Short-term liabilities</b>		
Accounts payables	1 689	4 990
Tax liability	-	519
Short-term liability group	-	-
Other current liabilities	776	41
Accruals and Deferred income	3 664	1 387
<b>Total short-term liabilities</b>	<b>6 129</b>	<b>6 937</b>
<b>Total equity and liabilities</b>	<b>272 031</b>	<b>148 137</b>

\* Comparisons according to the adopted Annual Report 2013

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