

TrustBuddy



Third quarter 2012

TrustBuddy International AB (publ.)

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Press release 29 november 2012

Interim report third quarter 2012

The Board of TrustBuddy International AB (publ.), listed on NASDAQ OMX First North, leaving the following quarterly report for July-September 2012

TrustBuddy International AB (publ.)

Summary January – September 2012

THIRD QUARTER, JULY – SEPTEMBER 2012

- » The first quarter of positive operating result
- » Net revenues amounted to SEK 10,3 (2,2) million
- » Operating earnings before depreciation amounted to SEK 2,8 (0,3) million
- » Operating earnings amounted to SEK 0,3 (0,2) million
- » Earnings after tax amounted to SEK 0,4 (0,2) million
- » Cash flow from operating activities after changes in working capital amounted to SEK 9,3 (-4,9) million

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

THE ENTIRE REPORT PERIOD, JANUARY – SEPTEMBER 2012

- » Net revenues amounted to SEK 23,7 (2,9) million
- » Operating earnings before depreciation amounted to SEK 4,8 (-2,3) million
- » Operating earnings amounted to SEK -2,6 (-2,7) million
- » Earnings after tax amounted to SEK -2,5 (-2,7) million
- » Cash flow from operating activities after changes in working capital amounted to SEK 13,6 (-5,2) million

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

TrustBuddy AB

Summary operating subsidiary January – September 2012

The operating activities of TrustBuddy International AB are conducted through its subsidiary TrustBuddy AB org. No. 556794-5083 from offices in Stockholm. Figures reported below, refers only to the operating operational activity in TrustBuddy AB.

THIRD QUARTER, JULY – SEPTEMBER 2012

- » 1 July – 30 September, earnings amounted to SEK 3,0 (0,6) million
- » 1 January – 30 September, Net revenues amounted to SEK 10,3 (2,2) million

THE ENTIRE REPORT PERIOD, JANUARY – SEPTEMBER 2012

- » 1 July – 30 September, earnings amounted to SEK 5,8 (-1,2) million
- » 1 January – 30 September, Net revenues amounted to SEK 23,7 (3,7) million

VOLUME AND NUMBER

- » Total number of loans in the second quarter: **18 447** units (+35,3% compared to the previous quarter)
- » Total amount lent in the second quarter: SEK **74,3** million (+28,3% compared to the previous quarter)

TrustBuddy is a meeting point

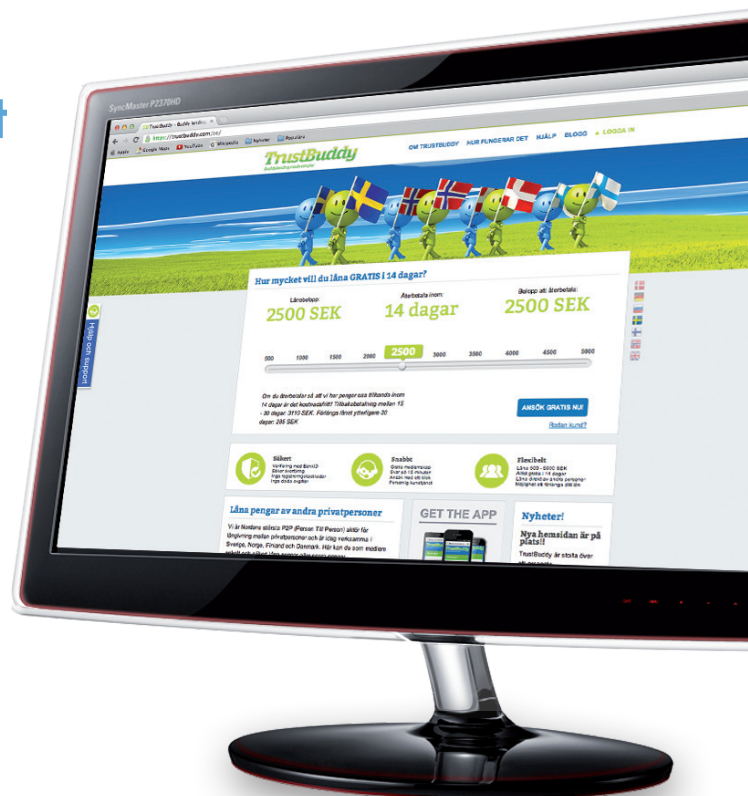
TrustBuddy is an Internet based meeting point where registered Members in an easy way can borrow money to and from each other.

TrustBuddy allows individuals to lend out money Fast, Easy and Secure.

For lenders, the interest rate is far higher than with traditional saving products.

For borrowers, TrustBuddy offer secure conditions and a clear picture of all costs.

TrustBuddy has rapidly taken a leading position in the market for short term loans.(PayDay Loans)



CEO's comments

Following a great second quarter, TrustBuddy continue to deliver and reports success in the third quarter, with solid growth in most key areas. The Company continues to perform ahead of the announced budget for 2012.

Following a great second quarter, TrustBuddy continue to deliver and reports success in the third quarter, with solid growth in most key areas. The Company continues to perform ahead of the announced budget for 2012.

I note with satisfaction that the access to lending capital continues to increase. During Q3, the increase was as much as 28 percent, which largely can be ascribed to the strong relationship that is established between TrustBuddy and affiliated agents.

TrustBuddy continues to report high profit on capital in combination with low losses and healthy profitability, as shown in the enclosed report. The number of issued loans increased during the third quarter by 35 percent compared with the previous quarter. This combined with a strong and sustained growth in the number of customers shows that our product mix and strategic decisions work well. TrustBuddy is through positive development and effective cost control, thoroughly equipped to manage it's accelerating growth.

In the new markets, Finland and Denmark, the recent launch is progressing well and according to plan. Due to the

company's current strategic process, details on TrustBuddy's introduction in the new markets are being withheld for competitive reasons.

TrustBuddy has through the positive development reached a volume and size, which is carrying the company into a new phase of development and maturity. This leads to a number of new and positive opportunities to be placed on the corporate agenda. First and foremost, the company's focus is on the integration of new and interesting services from third parties. Several processes have been initiated and results from these efforts will be published in connection with the deployment of respective service.

TrustBuddy continues its growth further and expect to see 2012 close on or above budget in all vital key areas. My hope is that TrustBuddy's many shareholders are as pleased with the results as we are, and I wish you a pleasant reading and evaluation of this report for the third quarter.

Jens Glasø
CEO, TrustBuddy International AB (publ)

TrustBuddy
Buddylending made simple!

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<http://trustbuddyinternational.com/>

TrustBuddy International AB – Interim report Q3, 2012

KEY FIGURES

Data per share	2012-07-01 2012-09-30	2012-01-01 2012-09-30	2011-01-01 2011-09-30	2011-01-01 2011-12-31
Number of shares outstanding	269 386 959	269 386 959	262 738 903	262 738 903
Average number of shares during the period	269 386 959	268 112 867	72 181 750	126 278 992
Average number of shares after dilution	269 386 959	268 112 867	72 181 750	126 278 992
Total number of shares after dilution	269 386 959	269 386 959	262 738 903	262 738 903
Earnings per share before dilution SEK	0,002	Neg	Neg	Neg
Earnings per share after dilution, SEK	0,002	Neg	Neg	Neg
Earnings per share, SEK	0,33 kr	0,33 kr	0,34 kr	0,35 kr
Equity per share, SEK				

Key figures	2012-09-30	2012-09-30	2011-09-30	2011-12-31
ROI, %	0	Neg	Neg	Neg
Solidity, %	98%	98%	95%	92%
The average number of employees	4	4	1	1

Changes in equity	2012-07-01 2012-09-30	2012-01-01 2012-09-30	2011-01-01 2011-09-30	2011-01-01 2011-12-31
Opening balance	88 300	90 960	2 553	5 387
Shareholders contribution	-	-	4 405	4 405
Set-off share issue	-	233	90 000	90 000
Net earnings this period	423	-2 470	-2 726	-5 853
Reversed merger	-	-	-3 504	-3 395
Exchange differences	-	-	-215	416
Closing balance	88 723	88 723	90 513	90 960

DEFINITIONS OF KEY FIGURES

ROI / Return on investment:	Net income, as a percentage of average shareholders' equity.
Solidity:	Equity as a percentage of total assets
Equity per share:	Equity, in relation to the number of shares at the end of period.
Earnings per share:	Net income in relation to the average number of shares

Operations

SALES AND EARNINGS

1 July – 30 September 2012

Consolidated revenues for the period amounted to SEK 10,3 (2,2) million.

Operating earnings before depreciation was SEK 2,8 (0,3) million. Depreciation is mainly explained to goodwill.

Operating profit amounted to SEK 0,3 (0,2) million.

Profit after tax amounted to SEK 0,4 (0,2) million.

Earnings per share amounted to SEK 0,002 (neg) both before and after dilution.

1 January – 30 September 2012

Consolidated revenues for the period amounted to SEK 23,7 (2,9) million.

Operating earnings before depreciation was SEK 4,8 (-2,3) million. Depreciation is mainly explained to goodwill.

Operating profit amounted to SEK -2,6 (-2,7) million.

Profit after tax amounted to SEK -2,5 (-2,7) million.

Average earnings per share were negative both before and after dilution. Earnings per share at the end of the period were negative.

During the quarter, work has continued with the establishment in Denmark and Finland in order to achieve greater market penetration.

Any income taxes in each country are not considered.

Results for the operating subsidiary for the period:

1 July to 30 September, profit amounted to SEK 3,0 (0,6) million.

1 January to 30 September, profit amounted to SEK 5,8 (-1,2) million.

Net sales for the period:

1 July to 30 September, amounted to SEK 10,3 (2,2) million.

1 January to 30 September, amounted to SEK 23,7 (3,7) million.

MARKET OVERVIEW

The market for short-term funding has in recent years grown considerably and is now a mature market with several serious players. The market growth continued in the segment during the third quarter and TrustBuddy increased its market share.

TrustBuddy see no signs indicating that the Nordic and European market is saturated, leaving plenty of room for continued growth within the existing offering and through new product and service offerings.

Today there are no direct competitors, which operates within a similar IT-based, Peer-to-Peer, P2P platform in the segment of short-term financing. This indicates that in the foreseeable future, there are no serious threats that may interfere with the Company's expansion and market position.

The market is clearly signalling a continued strong growth and demand on all of TrustBuddy's active geographic markets, Sweden, Norway, Denmark and Finland.

FINANCIAL POSITION AND CASH FLOW

1 July – 30 September

Cash flow for the period from operating activities after changes in working capital amounted to SEK 9,3 (-4,9) million.

1 July – 30 September

Cash flow for the period from operating activities after changes in working capital amounted to SEK 13,6 (-5,2) million.

FINANCING

The Group has an equity capital of SEK 88 723 681, and an equity ratio of 98%. The company is self-finance off and no interest bearing debt at the delivery of this Report.

TrustBuddy has 269 386 959 shares representing a share capital of SEK 10 573 395. 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

1 July – 30 September

Investments during the period amounted to SEK -0,6 (0) million and is essentially development-related.

1 January – 30 September

Investments during the period amounted to SEK -1,6 (0) million and is essentially development-related.

EMPLOYEES

The average number of employees in the Group at end of period 4 (1).

INCENTIVE PROGRAM

The Group has in the delivery of this report no on going incentive programs.

EVENTS AFTER THE REPORT PERIOD

2012-11-28 TrustBuddy guiding update: TrustBuddy revenues exceed expectations again

2012-11-22 TrustBuddy is opening up for new European launches including Germany

2012-11-21 TrustBuddy to Apply for license to become a Credit Market Institution

2012-11-08 TrustBuddy launches new updated website with a modernized interface

For more information, please visit:

<http://trustbuddyinternational.com>

PARENT COMPANY

1 July – 30 September

The parent company's net sales amounted to SEK 0,1 (0) million. Profit after financial items amounted to SEK -0,4 (-0,1) million. Shareholders' equity amounted to SEK 89,9 (92,3) million, representing an equity ratio of 94,2 (98,8) percent.

1 Januari – 30 September

The parent company's net sales amounted to SEK 0,5 (0) million. Profit after financial items amounted to SEK -1,6 (-15,2) million.

TrustBuddy International AB (publ) has its main task is to provide management functions to its subsidiary, TrustBuddy AB. There is also the parent company functions that are directly related to the parent company as a publicly listed company, including investor relations, contact with the Nasdaq OMX, Euroclear, certified adviser, etc.

PRINCIPLES OF REPORTING

This report has been prepared in accordance with the law of Annual reporting Chapter 9, and RR 20 interim reporting. The same accounting and valuation policies were applied as in the most recent annual report delivered

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

TrustBuddy has chosen to turn towards a market based on low risk and high-volume and thus has created its own niche. Access to capital, like the influx of new customers are uncertainties. With Internet marketing success as well as professional providers of lenders, however, seems that uncertainty be minimized.

TRANSAKTIONER MED NÄRSTÅENDE

No transactions with related parties occurred during the third quarter.

TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties occurred during the second quarter.

OUTLOOK FOR 2012

TrustBuddy is the market leader P2P, Peer-to-Peer, lending in the Nordic countries. During the second quarter TrustBuddy continued to take market shares in all active markets. Efforts to expand the new markets in Finland and Denmark have continued with great success and the outlook for the upcoming period remain positive.

In the second quarter TrustBuddy launched the opportunity for investors to allocate their resources to different countries. This was received positively by the market and has in the third quarter, resulted in an even greater interest in TrustBuddys savings product. During the period, the increase in borrowed capital was 28 percent.

TrustBuddy's assessment is that the trend in the Nordic market for P2P lending continues to grow during the third quarter of 2012.

Internationally, there are only a few major players in P2P lending. All operators predicts continued growth and reports monthly increases in loans of 10 - 15 percent. This testifies to a young industry with strong growth rate.

TrustBuddy differentiates itself from all competitors in the active markets and internationally by offering short-term loans through a P2P IT platform. TrustBuddy's concept has proved successful and has created a strong and trusted brand and a significant customer base of loyal customers.

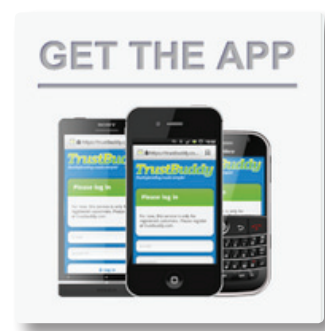
In 2012, TrustBuddy to increase its market share and strengthen its position as a leading player for short-term financing on the active market and remain the only P2P operator in the Nordic region providing a short-term financing product. The focus will be on further streamlining the service and continue to increase the company's lead in this segment. Meanwhile, efforts to get outside the Nordic market by establishing operations in Germany.

The goal for 2012 regarding the amount lent is at least SEK 242 (200) million with a net revenue of SEK 39 (30) million. This compares to 52.4 million in total lending last year. The expected result, EBITDA, for operational activities in TrustBuddy AB, is estimated at about 10 million in 2012. The objective has been communicated through a press release on 28 September, and is available at the company website. <http://trustbuddyinternational.com>

Figures in brackets refers to the previous period.

AUDIT

This report has not been audited.



SHORT ABOUT TRUSTBUDDY

TrustBuddy is a credit intermediary in the market for short-term financing. The company offers individuals to borrow and lend money among each other, so-called Peer-to-peer lending or P2P. TrustBuddy is Scandinavia's first and largest P2P operator, operating in markets in Sweden, Norway, Denmark and Finland.

The business is exclusively conducted through TrustBuddy's proprietary website, in which all customers become members by registering an account, and specify whether they want to borrow or lend money. The loan agreements are established between private citizens, while all administration concerning the loans managed by TrustBuddy.

A member of TrustBuddy offers a safe and easy way to both borrow and lend money to the clearly defined costs and benefits.

Those members who register must, as a safeguard for all parties, have their identity authenticated through BankID before the account can be activated. In connection with the registration, and operating in regular time intervals, control is performed by the member to verify and ensure creditworthiness.

The security measures required to get the safest service possible for both lenders and borrowers.

Saving in a TrustBuddy account is as easy as in a bank and a loan application is both secure and easy.

Operations are conducted through its subsidiary TrustBuddy AB org. No. 556794-5083 from office in Stockholm.

The group's parent TrustBuddy International (publ), reg. No. 556510-9583, which is listed on NASDAQ OMX First North.

MARKET LISTING

The company's shares are listed on NASDAQ OMX First North. Highest price paid at 28 September was 0.64 SEK.

CERTIFIED ADVISER

Mangold Fondkommision AB.

<http://www.mangold.se>

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REPORT FROM THE BOARD AND CEO

This report is a translation and an abstract. For the full quarterly report for the period, please refer to the Swedish version.

Stockholm 29 November 2012

Mr. Eivind Jørundland, Board Chairman

Mr. Rune Glasø, Board Member

Mr. Linus L. Lönnroth, Board Member

Mr. Trond R. Ramsli, Board Member

Mr. Alf Erik Skuland, Board Member

Mr. Jens B. Glasø, Board Member and CEO

Questions regarding this report will be answered by:

Jens B. Glasø, CEO TrustBuddy International AB (publ)

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FORTHCOMING FINANCIAL INFORMATION

2013-02-28 Year End Report Q4-2012

2013-04-17 Annual General Meeting 2013

All reports are available after publishing on the website:

<http://trustbuddyinternational.com>

Result from group

Amount in KSEK	2012 3 MONTHS JULY - SEPT	2011 3 MONTHS JULY -SEPT	2012 9 MONTHS JAN - SEPT	2011 9 MONTHS JAN - SEPT	2011 12 MONTHS JAN-DEC
Net revenue	10 279	2 182	23 652	2 936	6 268
Other operating income	112	-	217	-	66
	10 391	2 182	23 869	2 936	6 334
Operating costs					
Direct costs	-2 847	-	-6 714	-	
Other external costs	-4 333	-1 588	-11 272	-4 895	-6 299
Staff costs	-376	-130	-1 097	-168	-343
Depreciation and impairment of Intangible costs	-2 504	-131	-7 428	-466	-5 342
Other operating costs	-	-143	-	-143	-141
Total operating costs	-10 060	-1 992	-26 511	-5 672	-12 125
Operating profit/loss	331	190	-2 642	-2 736	-5 791
Result from share group	-	-	-	-	-116
Other interest receivable and Similar incomes	93	49	176	24	54
Interest payable and similar charges	-1	-54	-4	-14	-
Total result from financial investment	92	-5	172	10	-62
Result after financial posts	423	185	-2 470	-2 726	-5 853
Result of the period.	423	185	-2 470	-2 726	-5 853

Balance group

Amount in KSEK	2012-09-30	2011-09-30	2011-12-31
ASSETS			
Fixed Assets			
<i>Intangible Assets</i>			
Balanced expenses research and dev.	4 066	2 636	3 294
Goodwill	77 944	82 835	84 610
<i>Financial Assets</i>			
Deferred tax receivable	3 009	3 009	3 009
Other long term assets	42	-	-
Total Fixed Assets	85 061	88 480	90 913
Current Assets			
<i>Short-term receivables</i>			
Accounts receivables	-	101	-
Other current receivables	4 067	4 998	2 501
Prepayments and accrued income	7 835	1 011	3 598
Cash and cash equivalents	* 14 164	231	1 955
Total current assets	26 066	6 341	8 054
Total Assets	111 127	94 821	98 967

Amount i KSEK	2012-09-30	2011-09-30	2011-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	10 573	10 312	10 312
<i>Non-restricted equity</i>			
Non-restricted equity	80 620	82 927	86 501
Net profit for the period	-2 470	-2 726	-5 853
	78 150	80 201	80 648
Total Equity	88 723	90 513	90 960
Short-term liabilities			
Accounts payables	1 369	1 437	1 106
Other current liabilities	* 20 430	676	5 711
Accruals and Deferred income	605	2 195	1 190
Total short-term liabilities	22 404	4 308	8 007
Total equity and liabilities	111 127	94 821	98 967

* SEK 13,662 thousand, relating to client funds

Cash flow from group

Amount in KSEK	2012 3 MONTHS JULY - SEPT	2011 3 MONTHS JULY - SEPT	2012 9 MONTHS JAN - SEPT	2011 9 MONTHS JAN - SEPT	2011 12 MONTHS JAN-DEC
Operating activities					
Operating profit before financial items	331	190	-2 642	-2 736	-5 791
Paid interest	-1	-54	-4	-14	-
Received interest	93	49	176	24	54
Adjustment for items not included in the result	2 504	131	7 428	902	8 667
Cash flow from operating activities before changes in working capital	2 927	316	4 958	-1 824	2 930
Increase/decrease in current receivables	-3 509	-5 404	-5 803	-6 010	-5 021
Increase/decrease in current liabilities	9 850	157	14 397	2 588	-7 750
Cash flow from operating activities	9 268	-4 931	13 552	-5 246	-9 841
Investing activities					
Changes in long-term receivables	-	-	-42	-	7 548
Capitalized expenditure	-645	-	-1 534	-	-1 016
Cash flow from investing activities	-645	0	-1 576	0	6 532
Financial activities					
Shareholder Contribution	-	4 405	-	4 405	4 405
New share issue	-	-	233	-	-
Cash flow from financial activities	0	4 405	233	4 405	4 405
Cash flow for the period	8 623	-526	12 209	-841	1 096
Exchange difference in cash equivalents	-	-	-	629	416
Cash and cash equivalents, beginning of period	5 541	757	1 955	443	443
Cash and cash equivalents, beginning end of period	14 164	231	14 164	231	1 955

Result from parent company

Amount i KSEK	2012 3 MONTHS JULY - SEPT	2011 3 MONTHS JULY - SEPT	2012 9 MONTHS JAN - SEPT	2011 9 MONTHS JAN - SEPT	2011 12 MONTHS JAN-DEC
Net revenue	135	-	448	-	81
Other operating income	10	-	13	-	-
	145	0	461	0	81
Operating costs					
Other external costs	-502	897	-2 090	-234	-1 238
Depreciation and impairment of Intangible costs	-	-1	-	-1	-1
Other operating costs	-	-141	-	-141	-141
Total operating costs	-502	755	-2 090	-376	-1 380
Operating profit/loss	-357	755	-1 629	-376	-1 299
Result from share group	-	-810	-	-14 875	-14 875
Other interest receivable and Similar incomes	-	3	1	47	48
Interest payable and similar charges	-	-8	-	-23	-24
Total result from financial investment	0	-815	1	-14 851	-14 851
Result after financial posts	-357	-60	-1 628	-15 227	-16 150
Result of the period.	-357	-60	-1 628	-15 227	-16 150

Balance parent company

Amount i KSEK	2012-09-30	2011-09-30	2011-12-31
ASSETS			
<i>Financial Assets</i>			
Shares in group company	92 118	90 000	92 000
Deferred tax receivable	3 009	3 009	3 009
Total Fixed Assets	95 127	93 009	95 009
Current Assets			
<i>Short-term receivables</i>			
Other current receivables	152	-	1 001
Prepayments and accrued income	138	348	846
Cash and cash equivalents	29	8	344
Total current assets	319	356	2 191
Total Assets	95 446	93 365	97 200

Amount in KSEK	2012-09-30	2011-09-30	2011-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	10 573	10 312	10 312
Restricted reserves	10 013	10 013	10 013
	20 586	20 325	20 325
<i>Non-restricted equity</i>			
Non-restricted equity	-65 299	-49 149	-49 149
Share premium reserve	136 282	136 311	136 311
Net profit for the period	-1 628	-15 227	-16 150
	69 355	71 935	71 012
Total Equity	89 941	92 260	91 337
Short-term liabilities			
Accounts payables	800	155	619
Short-term liability group	4 208	732	1 915
Other current liabilities	414	8	2 691
Accruals and Deferred income	83	210	638
Total short-term liabilities	5 505	1 105	5 863
Total equity and liabilities	95 446	93 365	97 200

TrustBuddy

Buddylending made simple!



TrustBuddy International AB

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