

TrustBuddy International



First quarter 2013

TrustBuddy International AB (publ.)

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Press release 30 May 2013

Interim report first quarter 2013

The Board of TrustBuddy International AB (publ.), listed on NASDAQ OMX First North, leaving the following quarterly report for January-March 2013

TrustBuddy International AB

FIRST QUARTER, JANUARY – MARCH 2013

- » Net revenues amounted to SEK 18,5 (3,9) million
- » Operating earnings before depreciation, EBITDA, amounted to SEK 1,8 (0,7) million
- » Operating earnings, EBIT, amounted to SEK -1,0 (-1,8) million
- » Earnings after tax amounted to SEK -1,4 (-1,8) million
- » Cash flow from operating activities after changes in working capital amounted to SEK 1,0 (-0,3) million

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

TrustBuddy AB

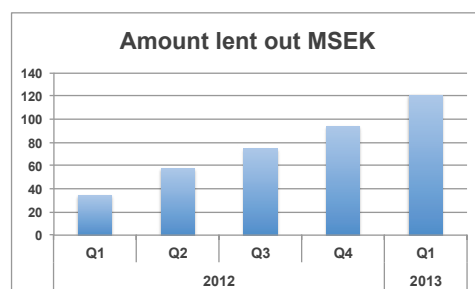
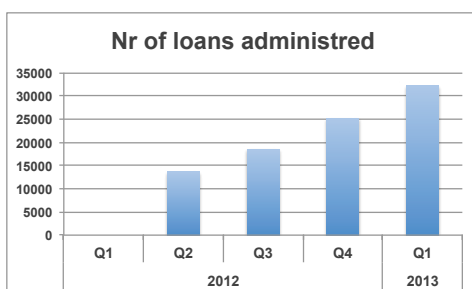
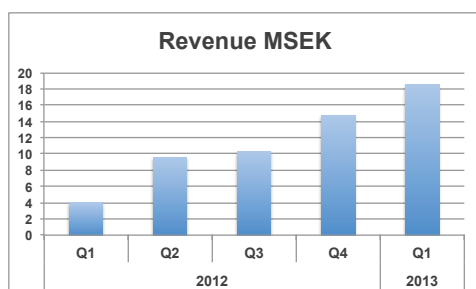
The operating activities of TrustBuddy International AB are conducted through it's subsidiary TrustBuddy AB org. No. 556794-5083 from offices in Stockholm and with support functions in each market and country. Figures reported below, refers only to TrustBuddy AB.

THIRD QUARTER, JANUARY – MARCH 2013

- » Earnings, EBITDA, amounted to SEK 3,7 (1,4) million
- » Net revenues amounted to SEK 18,5 (4,0) million

VOLUME AND NUMBER

- » Total number of loans in the first quarter: **32 139** units (+28% compared to the previous quarter)
- » Total amount lent in the first quarter: SEK **120,6** million (+28,5% 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

The first quarter has resulted in TrustBuddy further strengthening its position as P2P bank and is now leading at European level in the segment. It is with great pleasure that we can present figures showing a significant increase in both sales and loan volumes compared to the previous quarter.

The period has involved intensive efforts to increase the Company's market share in all active markets. TrustBuddy now has establishment in Sweden, Denmark, Norway, Finland, Poland, Spain, Slovenia and Estonia. All markets are showing positive developments with high demand for TrustBuddy's offering.

The outlook for both the company and for short-term financing in the P2P segment is good, and we believe that the strong growth will continue. With this, we will continue to work on establishing TrustBuddy in new countries and in new markets at an unabated pace in the second and third quarters.

TrustBuddy's management is pleased with the progress and that we now have 110,000 customers by the end of the first quarter. This represents an increase of 22 percent compared to our 90,000 customers at the end of 2012. Meanwhile, we have now surpassed the actor who is considered to be the leading global P2P Bank, LendingClub, in respect of number loans per month.

TrustBuddy is uniquely positioned in the market and have the necessary resources and staffing as well as the scalable IT structure required to continue to deliver strong growth.

We wish all of our shareholders and customers a pleasant summer.

Jens Glasø

CEO, TrustBuddy International AB (publ)

TrustBuddy
Buddylending made simple!

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<http://trustbuddyinternational.com/>

TrustBuddy International AB – Interim report Q1, 2013

KEY FIGURES

Data per aktie	2013-03-31	2012-03-31	2012-12-31
Number of shares outstanding	269 386 959	265 842 903	269 386 959
Average number of shares during the period	269 386 959	265 706 763	268 433 130
Average number of shares after dilution	269 386 959	265 706 463	268 433 130
Total number of shares after dilution	269 386 959	265 842 903	269 386 959
Earnings per share before dilution SEK	neg	Neg	Neg
Earnings per share after dilution, SEK	neg	Neg	Neg
Equity per share, SEK	0,30 kr	0,34 kr	0,30 kr

Key figures	2013-03-31	2012-03-31	2012-12-31
ROI, %	Neg	Neg	Neg
Solidity, %	85%	89%	83%
The average number of employees	19	2	6

Changes in equity	2013-03-31	2012-03-31	2012-12-31*
Opening balance	80 552	90 960	90 960
Share issue	-	1 211	-
Ongoing new share issue	253	-	-
Offset share issue	-	-	233
Subscription options	60	-	42
Net earnings this period	-1 373	-1 778	-10 687
Exchange differences	55	-	4
Balance carried forward	79 547	90 393	80 552

* Comparative figures are according to the adopted Annual Report 2012

DEFINITIONS OF KEY FIGURES

Solidity	Equity capital and untaxed reserves (net of deferred tax) in relation to total assets.
Return on equity capital	Earnings after financial items in relation to equity and untaxed reserves (net of deferred tax).
Equity per share	Equity at the end of the period divided by number of shares outstanding.
Earnings per share before dilution	Earnings for the period in relation to the average number of shares.
Earnings per share after dilution	Earnings for the period in relation to the average shares outstanding after dilution.
EBITDA	Earnings before interest, taxes, amortization, depreciation and goodwill amortization
EBIT	Profit (revenue minus expenses) before interest and tax

Operations

SALES AND EARNINGS

Consolidated revenues for the period amounted to SEK 18.5 (3.9) million.

Operating earnings before depreciation was 1.8 (0.7) million. Depreciation relates primarily to goodwill.

Operating earnings amounted to SEK -1.0 (-1.8) million.

Profit after tax amounted to SEK -1.4 (-1.8) million.

Earnings per average share was negative both before and after dilution. Earnings per share for the period was negative.

Work on the new establishments have continued in the first quarter. In conjunction with the new introductions, launch costs have increased as the board and management decided on a more cautious introduction in each market in order to ensure control. The Company has also during the period had additional costs in connection with its application to become a credit market company.

Net sales for the operating subsidiary TrustBuddy AB for the period amounted to SEK 18.5 M (4.0).

Profit before depreciation, EBITDA, for the period amounted to SEK 3.7 (1.4) million.

MARKET OVERVIEW

The market for short-term funding has in recent years grown considerably and is now a mature market with a number of serious actors. Growth in the segment during the first quarter continued to point upward and TrustBuddy has increased its market share.

The company sees no signs to suggest that the Nordic and European market is saturated, but leaves plenty of room for continued growth within the existing offering, new products 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 could disrupt the Company's expansion and market position.

The market is clearly signaling a continued strong growth and demand on all of TrustBuddys active geographic markets, Sweden, Norway, Denmark and Finland, and since the new year recently established operations in Spain, Estonia and Poland. (see also - Significant events during the period)

FINANCIAL POSITION AND CASH FLOW

1 January – 31 March

Cash flow for the period from operating activities after changes in working capital amounted to SEK 1,0 (-0,3) million.

FINANCING

The Group has an equity capital of SEK 79 546 734, and an equity ratio of 85%. 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 januari – 31 mars 2013

Investments during the period amounted to SEK -1,0 (-0,5) million and is essentially development-related.

EMPLOYEES

The average number of employees in the Group at end of period 19 (2).

TAX

Group tax amounted to SEK 0.3 (0) million. Taxable income is in Sweden and relates to Swedish market, which amounts to 22%.

INCENTIVE PROGRAM

There is a inticitamentsprogram 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 can take place the period from May 1, 2013 to July 1, 2014, and from May 1, 2015 and July 1, 2015.

The number of warrants totaling 8.100.00 pieces and is initially represented by one (1) warrant certificate, or multiples thereof, addressed to the holder.

EVENTS DURING THE REPORTING PERIOD

19.03.2013	Resolution on the issue and the outcome of subscription
03/15/2013	The company is establishing a local presence in Poland
14/03/2013	The company announces faster growth than was expected in Spain.
11.02.2013	External investor acquires stake in TBDY for about 30 million; the Board of Directors decides on directed share issue
18.01.2013	The Company establishes operations in Spain

EVENTS AFTER THE REPORT PERIOD

13.05.2013	TrustBuddy forecasts strong growth
17.04.2013	The company is establishing a local presence in Estonia
03.04.2013	Annual Report 2012

For more information, please visit:
<http://trustbuddyinternational.com>

PARENT COMPANY

1 January – 31 March

The parent company's net revenues amounted to SEK 0.2 (0.2) million. Earnings after financial items amounted to SEK -0.7 (-0.7) million. Shareholders' equity amounted to SEK 91.8 (91.9) million, representing an equity ratio of 93 (94) percent.

TrustBuddy International AB (publ) has as its main task to provide management functions to its subsidiary, TrustBuddy AB. Also managed by the parent company are functions that are directly related to the parent company as a publicly listed company, including investor relations, interface with Nasdaq OMX, Euroclear, Certified Adviser and Others

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

SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. As of today, there is no separate reporting from the different countries, which could be considered in future reports.

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.

TRANSACTIONS WITH RELATED PARTIES

No transactions with related parties occurred during the first quarter.

DISPUTES AND LEGAL PROCESSES

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

OUTLOOK FOR 2013

TrustBuddy are market leaders in P2P, Peer-to-Peer Lending in the Nordic countries. In the first quarter TrustBuddy has further strengthened its leading position and gaining market share in all active markets, which now also includes Spain, Poland, Slovenia and Estonia.

During the final quarter of 2012, the company test-launched a service for borrowers that means the borrower can recruit new members and get compensation for it. This member incentives have been well received and will be launched in 2013 on a broad front.

TrustBuddy's assessment is that the market for P2P lending continues to grow in 2013 and the outlook for the coming period is positive. The company will increase its market share and further strengthen its position as a leader in short-term financing. TrustBuddy has a clear leading position in the Nordic market and with the newly launched markets in Spain, Poland and Estonia, TrustBuddy now also has a leading position in Europe. For 2013, the company estimates a loan turnover of SEK 650 million, which is more than double the previous year.

The focus in 2013 will continue to be on to further refine, adapt and streamline the offering for each submarket to increase its lead in the segment of short-term financing products.

AUDIT

This report has not been audited and is the translation from the Swedish original.

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, Finland and recently established Spain Estonia and Poland.

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 and with support functions in each market and country.

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 March was 0.92 SEK.

CERTIFIED ADVISER

Mangold Fondkommision AB.

<http://www.mangold.se>

Mangold Fondkommision AB

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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 30 May 2013

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:

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FORTHCOMING FINANCIAL INFORMATION

29.08.2013 Interim report Q2, 2013

28.11.2013 Interim report Q3, 2013

27.02.2014 Year-end Report Q4, 2013

All reports are available after publishing on the website:

<http://trustbuddyinternational.com>



Result from group

Amount in KSEK	2013 3 MONTHS JAN-MARCH	2012 3 MONTHS JAN-MARCH	2012 12 MONTHS* JAN-DEC
Net revenue	18 530	3 868	38 384
Other operating income	17	107	250
	18 547	3 975	38 634
Operating costs			
Direct costs	-5 803	-	-11 601
Other external costs	-6 841	-2 952	-18 036
Staff costs	-3 779	-352	-3 389
Depreciation and impairment of Intangible costs	-2 780	-2 454	-10 191
Other operating costs	-359	-	-
Total operating costs	-19 562	-5 758	-43 218
Operating result	-1 015	-1 783	-4 584
Results from term financial assets	-	-	-2 715
Other interest receivable and Similar incomes	1	5	253
Interest payable and similar charges	-41	-	-8
Total result from financial investment	-40	5	-2 469
Result after financial posts	-1 055	-1 778	-7 054
Tax for the period	-318	-	-3 634
Result of the period.	-1 373	-1 778	-10 687

* Comparative figures are according to the adopted Annual Report 2012

Balance group

Amount in KSEK	2013-03-31	2012-03-31	2012-12-31*
ASSETS			
Fixed Assets			
<i>Intangible Assets</i>			
Balanced expenses research and dev.	8 439	3 591	8 130
Goodwill	73 475	82 388	75 697
<i>Financial Assets</i>			
Deferred tax receivable	-	3 009	-
Other long term assets	90	42	42
Total Fixed Assets	82 004	89 030	83 869
Current Assets			
<i>Short-term receivables</i>			
Accounts receivables	4 535	1 185	3 410
Other current receivables	1 632	4 683	1 047
Prepayments and accrued income	914	4 146	3 806
Cash and cash equivalents	4 955	2 260	4 732
Total current assets	12 036	12 274	12 995
Total Assets	94 040	101 304	96 864
Amount i KSEK	2013-03-31	2012-03-31	2012-12-31*
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	10 573	10 434	10 573
Restricted reserves	592	-	483
Non-restricted equity	69 755	81 737	80 183
Net profit for the period	-1 373	-1 778	-10 687
Total Equity	79 547	90 393	80 552
Provisions			
Deferred taxes	96	-	136
Total long-term liabilities	96	0	136
Current liabilities			
Bank overdraft	-	-	43
Trade accounts payable	1 355	1 303	2 292
Tax liabilities	841	-	480
Other current liabilities	10 095	8 571	7 318
Accrued expenses and deferred income	2 106	1 037	6 043
Total current liabilities	14 397	10 911	16 176
Total equity and liabilities	94 040	101 304	96 864

* Comparative figures are according to the adopted Annual Report 2012

Cash flow from group

Amount in KSEK	2013 3 MONTHS JAN-MARCH	2012 3 MONTHS JAN-MARCH	2012 12 MONTHS* JAN - DEC
Cash flow from operating activities			
Operating profit before financial items	-1 015	-1 783	-4 584
Paid interest	-41	-	-8
Received interest	1	5	253
Income taxes paid	4	-	-8
Adjustment for items not included in the result	2 962	2 454	7 481
Cash flow from operating activities before changes in working capital	1 911	676	3 134
Increase/decrease in current trade receivables	1 182	-	-3 410
Increase/decrease in current receivables	-937	-3 915	1 246
Increase/decrease in current liabilities	-1 203	2 904	7 689
Cash flow from operating activities	953	-335	8 659
Investing activities			
Capitalized expenditures	-995	-529	-6 115
Cash flow from investing activities	-995	-529	-6 115
Financial activities			
Subscription warrants	60	-	42
Change in long-term receivables	-48	-42	-42
Share issue	253	1 211	233
Cash flow from financial activities	265	1 169	233
Cash flow for the period	223	305	2 777
Exchange difference in cash equivalents	-	-	0
Cash and cash equivalents, beginning of period	4 732	1 955	1 955
Cash and cash equivalents, end of period	4 955	2 260	4 732

* Comparative figures are according to the adopted Annual Report 2012

Result from parent company

Amount i KSEK	2013 3 MONTHS JAN-MARCH	2012 3 MONTHS JAN-MARCH	2012 12 MONTHS JAN-DEC
Net revenue	177	226	823
Other operating income	13	1	7
Total operating revenue	190	226	830
Operating costs			
Other external costs	-860	-910	-2 706
Total operating costs	-860	-910	-2 706
Operating profit/loss	-670	-684	-1 876
Other interest receivable and similar income	-	-	1
Interest and similar income	-	-	-3
Total income from financial investments	0	0	-2
Result after financial posts	-670	-684	-1 878
Tax for the period	-	-	-1 587
Result of the period.	-670	-684	-3 465

Balance parent company

Amount i KSEK	2012-03-31	2012-03-31	2012-12-31*
ASSETS			
<i>Financial Assets</i>			
Shares in group company	92 658	92 118	92 517
Deferred tax receivable	-	3 009	-
Total Fixed Assets	92 658	95 127	92 517
Current Assets			
<i>Short-term receivables</i>			
Receivables from group companies	4 875	-	1 061
Current tax receivables	5		8
Other current receivables	5	951	750
Prepayments and accrued income	463	1 328	135
Cash and cash equivalents	1 024	121	18
Total current assets	6 372	2 400	1 972
Total Assets	99 030	97 527	94 489

Amount in KSEK	2012-03-31	2012-03-31	2012-12-31*
EQUITY AND LIABILITIES			
Equity			
Share Capital	10 573	10 434	10 573
Restricted reserves	10 265	10 013	10 013
balanced earnings	-64 679	-65 299	-61 274
Share premium account	136 283	137 400	136 283
Net profit for the period	-670	-683	-3 465
Total equity	91 772	91 865	92 130
Short-term liabilities			
Accounts payables	610	802	1 116
Short-term liability group	25	2 147	245
Other current liabilities	6 590	2 713	922
Accruals and Deferred income	33	-	76
Total short-term liabilities	7 258	5 662	2 359
Total equity and liabilities	99 030	97 527	94 489

* Comparative figures are according to the adopted Annual Report 2012

TrustBuddy

Buddylending made simple!



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