July 8, 2015

Stockholm

Dear Lender,

Towards the end of 2014, TrustBuddy underwent substantial changes in terms of the composition of its Board of Directors, management, company structure and strategic focus. The new Board of Directors and management have spent substantial resources this year in order to strengthen the organization with overhauled procedures and a new structure, intended to further the professionalism of the Company. Amongst other things, major strategic developments including a substantial cost reduction program have been implemented, which has been detailed in various press releases during the spring of 2015.

One area that has been a major focus of attention is the Company's operational routines in relation to the existing short-term peer-to-peer business. This letter outlines which changes have been implemented and how this will affect our existing clients.

Since 2010, TrustBuddy has intermediated loans, including renewals and refinancing, totaling 2.4 billion SEK to borrowers in six countries. As part of the company's operational routines, loans that are not repaid in time are routinely sent to debt collection. The time that a loan spends in debt collection before being repaid varies substantially from loan to loan – eventually, all loans in debt collection may be either recovered, written off as a loss or sold at a discount. For the time being, the aggregated loan volume in debt collection is approximately 220 million SEK.

The volume of aggregated loans – which have been in debt collection for a considerable period of time without being partially repaid, also called non-performing loans - is currently too high and will be addressed specifically below.

Furthermore, the Company's practice, as regulated in the TrustBuddy's terms and conditions, of facilitating liquidity under certain circumstances by transferring existing loans between lenders, has proven inefficient. TrustBuddy has therefore decided to change its terms and conditions as they relate to this practice.

The result of the Company's previous operational routines has led to a number of our current lenders owning loan portfolios that exhibit relatively low returns and lower than expected liquidity, under the company's current operational practices for new loans.

Under its new leadership, TrustBuddy has invested significant resources aimed at not only improving, but rather maximizing the company's credit management performance for our lenders. TrustBuddy has established a new, dedicated and experienced team that is working full time on credit portfolio management, with the following two key focus areas:

1. Maximizing the value of the existing non-performing credit portfolio
2. Increasing the quality of the portfolio of new loans issued to enable higher future return on invested capital through the TrustBuddy P2P platform

To maximize the value of the non-performing credit portfolio, TrustBuddy is evaluating several options in parallel, a process that we aim to complete by year-end:

- Reactivating or refinancing the non-performing loans within TrustBuddy

- Reactivation and/or payment plans for borrowers in cooperation with third-party debt collection agencies through targeted campaigns
- On behalf of our lenders, to sell the non-performing portfolios to the highest bidders in the market. Key players in the debt market will be invited to bid and the "real value" of the portfolio will be realized and paid back immediately to our lenders
- Prepare more in-depth and transparent internal policies to regularly calculate the value of non-performing loans. This will give our lenders better portfolio insight and enable TrustBuddy to present more accurate values on the expected return from investments

To enable a more profitable lending environment in the future, TrustBuddy has made major improvements and is now able to originate loans with much better quality than in previous periods. Implemented improvements include:

- Improved credit policies in our Nordic markets with positive results so far
- Automation of all credit policies and procedures, to avoid human mistakes and errors
- New internal credit-scoring engine, fully operational by the end of July, in all Nordic markets. The new scoring model is already operational in Denmark and the rest of our Nordic markets will go live later this month.

To summarize, under new leadership, TrustBuddy has identified a number of issues with its previous operational routines and business model covering the short-term loan business, which in several cases has led to unsatisfactory loan portfolio performance. These problems are contained and being addressed, and are thus no longer relevant to new loans. However, we are fully aware that TrustBuddy has a number of lenders who have experienced low returns on their portfolios due to high levels of non-performing loans. As described above, we are currently targeting a number of improved measures in order to increase the value of these portfolios as much as possible, while maintaining minimal losses. Lenders affected by these issues can expect such improvements to be implemented during the 3rd and 4th quarter of this year. We promise to do everything we can to keep improving our product for our customers, and we thank you for being a member of our community!

If you have any questions, please reach out to us at lenders@trustbuddy.com

Best,

Linus Lönnroth

Acting CEO

TrustBuddy AB

Ps. please note that this letter relates only to TrustBuddy's short-term product under the company's old operational routines.