

## Interim report second quarter 2015

The Board of TrustBuddy AB (publ.), listed on NASDAQ First North, leaving the following interim report for January–June 2015

### TrustBuddy AB (publ.)

#### Second quarter in summary, April-June 2015

- » Net revenue amounted to SEK 21.9 million
- » Operating result before depreciation, EBITDA, amounted to SEK -11.3 million
- » Operating result, EBIT, amounted to SEK -15.7 million
- » Profit after tax amounted to SEK -16.3 million
- » Cash flow from operating activities amounted to SEK 18.1 million

#### The entire period in summary January-June 2015

- » Net revenue amounted to SEK 48.7 million
- » Operating result before depreciation, EBITDA, amounted to SEK -27.1 million
- » Operating result, EBIT, amounted to SEK -35.3 million
- » Profit after tax amounted to SEK -36.2 million
- » Cash flow from operating activities amounted to SEK -2.0 million

### TrustBuddy is one of Europe's leading providers of P2P, peer-to-peer lending

TrustBuddy provides consumer and business loans under two brands, TrustBuddy and Geldvoorelkaar, in northern Europe.

The operational activities in TrustBuddy is conducted by TrustBuddy AB corp. No. 556794-5083 from offices in Stockholm and with support functions for each market and country.

#### Geldvoorelkaar (Business loans)

[www.geldvoorelkaar.nl](http://www.geldvoorelkaar.nl)

Geldvoorelkaar is TrustBuddys brand for business loans in the Netherlands, and the numbers show the lending volume (EUR) and number of loans issued for the specified period below. Consolidation of accounts is from 17th December 2014.

#### Business loans - Volume and numbers

##### Second quarter, April-June 2015

- » Total loans: 59 st (+11.3% for the period comp. prev. year)
- » Total amount loans: EUR 6.6 m (+12.9% for the period comp. prev. year)

##### Entire period, January-June 2015

- » Total loans: 140 st (+2.9% for the period comp. prev. year)
- » Total amount loans: EUR 14.3 m (+15.2% for the period comp. prev. year)
- » Total amount loans since start: EUR 63.5 m

#### TrustBuddy (Consumer loans)

[www.trustbuddy.com](http://www.trustbuddy.com)

TrustBuddy is TrustBuddy AB's brand to the consumer market in the Nordics and the numbers show the lending volume (SEK) and the number of loans issued during the specified period.

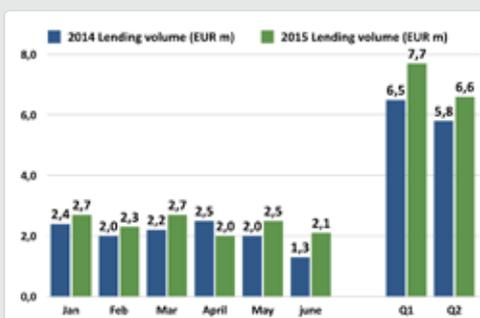
#### Consumer loans - Volume and numbers

##### Second quarter, April-June 2015

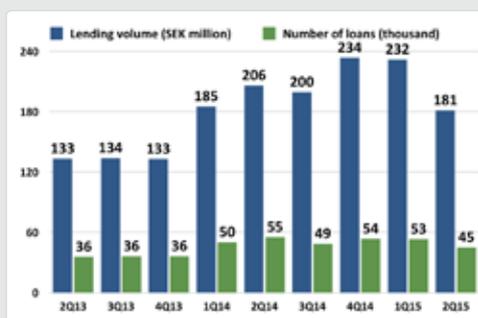
- » Total loans: 45,031 st (-18.5% for the period comp. prev. year)
- » Total amount loans: SEK 181.4 m (-12.0% for the period comp. prev. year)

##### Entire period, January-June 2015

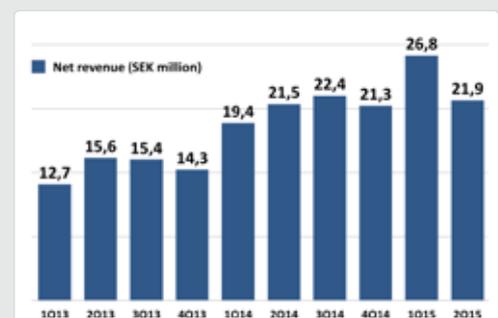
- » Total loans: 98,200 st (-6.9% for the period comp. prev. year)
- » Total amount loans: SEK 413.5 m (+5.7% for the period comp. prev. year)



**Business loans - Geldvoorelkaar**  
Loan volumes per month and quarter compared with the previous year.



**Consumer loans - TrustBuddy**  
Loan volumes and number of loans arranged.



**Net revenue - TrustBuddy AB (publ.)**

# CEO's comments

**Sales in the second quarter were SEK 21.9 million amounting to SEK -11.3 million EBITDA, and SEK 48.7 million and SEK -27.1 million EBIT-DA respectively for the first six months of the year.**

**It has been an extremely eventful second quarter and it will be a challenge to cover everything here. By the time you read this, the company's rights issue plans will have just been announced. The identity of the company's new CEO will also have been revealed. Both these events mark the conclusion of an important stage in the life of the company, and the start of a new one.**

I would like to say that despite the company's short life so far, it is easy to identify three clear phases: the building phase, the clearing out phase and finally the reloading, or the New TrustBuddy, that starts now.

The company started with a building phase that accelerated and reached its peak in 2014. During this period our focus was on gaining market share as fast as possible despite high costs. Everything went quickly, the company grew strongly, but naturally some mistakes were made. Back then, our young market was unregulated, in some cases opaque, and what we know today about credit policies and collection procedures was not as well known at the time. This meant that older elements of the loan portfolio did not meet the same standards as newer parts of the portfolio. Halfway through 2014, Finansinspektionen's, the Swedish Financial Supervisory Authority, regulatory plans started to become known, although it wasn't before we were into 2015 that details of how the agency would regulate the P2P segment became clear. In the company's dialog with Finansinspektionen, several areas for improvement were identified, including Finansinspektionen's view that the company's board was too inexperienced to manage a credit product company, for example. Consequently, in November 2014, the entire board was replaced with experienced board members able to meet the requirements placed on a modern financial company.

At the start of 2014 TrustBuddy is the largest provider of small consumer loans in the P2P segment in Europe, and with its acquisition of the Netherlands-based Geldvoorelkaar, continental Europe's largest player in P2P company loans, what we call SME loans or crowdfunding. A new, strong and experienced board now leads the country, and the undersigned steps in as acting CEO and the search for a new, permanent CEO gets underway. In other words, everything is in place for the roll out of Geldvoorelkaar's successful model in the Nordics, as well as extending the consumer loan product with larger loans similar to those in the US. But first, however, the company needs a clear out.

This process has been more comprehensive and time consuming than we initially realized and was carried out during the first half of 2015. The company's cost base was virtually out of control, the loan portfolio contained too much non-performing debt, operational management consisted of too many costly manual routines that were also conducted from too many markets rather than being centralized. The new board is focusing all its energies on this process. At the same time, newly acquired Geldvoorelkaar will be integrated into the company and Finansinspektionen will announce its new regulatory framework for the P2P segment.

As previously announced to the market, the company is implementing a cost reduction program. This will reduce our cost base by at least SEK 4 million per month when it is fully implemented in 4Q15. The main areas that we are tackling are the centralization of our support function to Estonia, as well as the automation of our cash management function that previously required too great a degree of manual input. These measures alone will result in a reduction of our payroll by 15 employees. The company's premises requirements are being adjusted in all markets, generating considerable savings once fully implemented. Furthermore, we are planning cuts in the company's IT development outlay and legal support. The former is a natural result of a large improvement program nearing its conclusion, the latter a natural consequence of major company transactions and permit applications being wound down. We are also temporarily reducing expenditure on marketing considerably and will analyze the effectiveness of various marketing initiatives. The cost reduction program already started delivering results in June, the cost cutting effects of which we expect to clearly see in the 3Q report.

During the clear out period, the consumer loan portfolio was also thoroughly reviewed, whereby it is now clear that the speed with which loans are referred to collection agencies for recovery exceeds the amounts these agencies are able to recover. The consequence of this is that the proportion of non-

performing debt held by debt collection agencies amounted to sums of more than SEK 220 million, equivalent to approximately 10% of those sums on loan. This is entirely naturally explained to a large extent by the company's extremely rapid growth, but it is also clear that the company's credit policies needed to be changed. During the first half-year clear out period, not only were the company's new credit policies implemented, our own credit scoring engine, developed in-house, was also implemented in all markets. We have immediately been able to note an improvement in the quality of the loan portfolio, and the necessary conditions to give our investors favorable risk-adjusted terms are improving markedly. At the same time, a strategy for the reduction of non-performing debt in the old portfolio must be put in place.

In operational terms, the quarter played out broadly as expected. Revenues from consumer loans fell on the same quarter last year. This was neither the result of a lack of capital from investors, nor softer demand from borrowers. Rather, it was the result of tighter credit policies, for example our allowing only repeat customers to borrow the maximum amount. It was also the result of the new credit-scoring engine requiring a degree of running in and fine-tuning for a number of months. Finally, the temporary reduction of marketing has impacted revenues negatively. Revenues from consumer loans are expected to normalize in the third quarter as marketing increases and credit scoring is optimized.

Company loans, which are administered by the wholly owned subsidiary Geldvoorelkaar in the Netherlands, continue to grow. Revenues for the quarter were up 12.9% compared to the same period last year. Today, Geldvoorelkaar is the largest crowdfunding business in the Netherlands and has experienced phenomenal growth for an extended period. Naturally, this growth will not continue forever in the Netherlands. We see competitors emerging, partly in the shape of new P2P providers, and also as other financial solutions for small and mid-size companies that are returning to the market – provided partly by traditional banks returning after an absence from the segment, and partly other types of risk capital funds which are growing on the Dutch market.

To ensure that the building of new markets is thought-through and controlled without being affected by spiraling costs, the company's strategy involves growing organically in new markets, initially in Belgium and a Scandinavian market before the end of 2015. Thereafter, new markets will be added gradually with the goal of maintaining Geldvoorelkaar's monthly growth throughout 2016 underpinned by the new markets.

## The way forward

The company is now set to acquire capital to launch the third phase in the company's brief history.

This capital will be used to repay the bridging loan taken out to finance the capital retrieval in the fall of 2014. Further, the acquisition of Geldvoorelkaar will be completed, whose previous owners are yet to receive their final settlement. Finally, operational capital is needed for on-going operations and, even more importantly, to continue our comprehensive IT development of the next generation of consumer and company loan products.

The board and management of the company are delighted to have recruited Philip Mikal as our new CEO, see separate press release for details. With his background from Klarna and other payment solutions companies, we firmly believe that he is the right person to lead TrustBuddy.

The strategy currently incorporates three product areas: (i) the existing consumer product for mini-loans, (ii) the new consumer product, and (iii) the company product (SME) through the Geldvoorelkaar subsidiary.

The existing consumer product for mini-loans was a great way for TrustBuddy to rapidly establish itself and build-up a significant business, which today is listed on the Nasdaq First North. However, it is clear that new product areas such as company loans and larger consumer loans have much greater potential, even if, as expected, competition intensifies in the years ahead. With TrustBuddy's and Geldvoorelkaar's five-year history and hundreds of thousands of transactions in the IT system we developed ourselves, I believe that we have an excellent opportunity to develop and lead the young P2P segment in Northern Europe. After six months' clearing out we now have the organization under control, costs under control, our loan portfolio under control, our IT system under control and a robust business plan in place. I welcome you all to participate in TrustBuddy's new rights issue and I handover to our new CEO wishing him all the best for the future.

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

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<http://investor.trustbuddy.com/>

**TrustBuddy**  
Buddylending made simple!

## KEY FIGURES

<b>Data per aktie</b>	2015-04-01	2015-01-01	2014-01-01
	2015-06-30	2015-06-30	2014-12-31
Number of shares at end of period	405 546 722	405 546 722	405 546 722
Average number of shares during the period	405 546 722	405 546 722	15 556 178
Average number of shares after dilution	464 248 907	464 248 907	15 877 834
Total number of shares after dilution	464 248 907	464 248 907	464 248 907
Earnings per share, before dilution	-0.04 kr	-0.09 kr	-1.73 kr
Earnings per share after dilution	-0.04 kr	-0.08 kr	-1.70 kr
Shareholders' equity per share, SEK	0.20 kr	0.20 kr	0.09 kr

<b>Nyckeltal</b>	2015-04-01	2015-01-01	2014-01-01
	2015-06-30	2015-06-30	2014-12-31
ROI, %	Neg	Neg	Neg
Solidity, %	46%	46%	53%
The average number of employees	73	71	53

<b>Change in equity in the Group</b>	2015-04-01	2015-01-01
	2015-06-30	2015-06-30
Initial capital	99 843	37 466
Adjustment of opening equity	-	-
Initial capital	<b>99 843</b>	<b>37 466</b>
Fusion differences	-	82 453
Correction of share capital in subsidiaries	-332	-332
Result for the period	-16 345	-36 223
Translation differences	-194	-392
Closing balance	<b>82 972</b>	<b>82 972</b>

## 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

### 1 April to 30 June 2015

Consolidated net sales amounted to SEK 21.9 million.

Operating income before depreciation, EBITDA, amounted to SEK -11.3 million.

Depreciation is derived primarily from goodwill and capitalization of development work.

Operating profit, EBIT, amounted to SEK -15.7 million.

Profit after tax amounted to SEK -16.3 million.

Earnings per average share were negative both before and after dilution.

Earnings per share at the end of the period was negative.

### 1 January to 30 June 2015

Consolidated net sales amounted to SEK 48.7 million.

Operating income before depreciation, EBITDA, amounted to SEK -27.1 million.

Depreciation is derived primarily from goodwill and capitalization of development work.

Operating profit, EBIT, amounted to SEK -35.3 million.

Profit after tax amounted to SEK -36.2 million.

Earnings per average share were negative both before and after dilution.

Earnings per share at the end of the period was negative.

## TAX

### 1 April to 30 June 2015

Group tax expense for the period April-June amounted to MSEK 0.3.

### 1 January to 30 June 2015

Group tax expense for the period January-June amounted to MSEK -0.1.

## MARKET OVERVIEW

The Nordic market for unsecured consumer 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

### 1 April to 30 June 2015

Cash flow for the period from continuing operations amounted to MSEK 18.1.

### 1 January to 30 June 2015

Cash flow for the period from continuing operations amounted to MSEK -2.0.

## FINANCING

The Group has an equity of SEK 83.0 million and an equity ratio of 46%. The company has a long term interest bearing debt equivalent to SEK 17.1 million and short-term interest-bearing debt equivalent to SEK 17.1 million related to the acquisition of Geldvoorelkaar.nl. In addition, the company has taken advantage of a short-term bridge financing of SEK 15.9 million. TrustBuddy has 405,546,722 shares corresponding to a share capital of 811,093 SEK. The quota value is SEK 0.002. Each share entitles to one vote at the General Meeting and all shares have equal rights to dividends and liquidation surplus.

## INVESTMENTS

### 1 January to 30 June 2015

Investments during the period amounted to SEK 7.0 million and everything is in essential development related.

The emphasis so far in 2015 has been on the IT development of functionality to manage TrustBuddys new product offerings. The focus has been on developing the platform for the management of consumer loans with longer maturities, scheduled to be launched in the end of the year, as well as adaptation and preparation of the platform for the launch of corporate loans (SME) in the Nordic markets. The second quarter has also meant significant efforts for the automation of manual tasks which have greatly helped to enable many of the cost reductions implemented during the period.

## EMPLOYEES

During the second quarter of 2015 the number of employees averaged 73.

## INCENTIVE PROGRAM

TrustBuddy AB through the merger February 13, 2015 has taken over the stock option program that was previously in TrustBuddy International AB. The company has a total of four current incentive programs. Pricing takes place using the Black & Scholes option pricing model.

The first program is directed to key employees. Holders of warrants shall have the right for each warrant to subscribe for one (1) new share in the Company at a subscription price corresponding to SEK 0.57. Application for subscription of shares during the period from 1 May 2014 to 1 July 2014, and from 1 May 2015 to 1 July 2015. During the year redemptions made by 4.3 million stock options and June 30, 2015, 3.8 million outstanding.

The second program was decided at the Annual General Meeting of 9 December 2013 and addressed to certain shareholders. Each warrant

gives a right to subscribe for one (1) new share in the Company at a subscription price of SEK 1.20 and the subscription of shares may take place from 30 October 2015 to 31 December 2015. The program refers 37,838,185 options.

The third and fourth program was decided at the Annual General Meeting on 17 December 2014 and consists of 12,880,000 warrants intended for members of senior management and other key employees, as well as an incentive scheme for directors consisting of 4,184,000 warrants. The subscription price is SEK 1.50 and the exercise period is 6 to 17 November 2017. The options have not yet been allocated to the management, key employees and directors.

The number of unexercised warrants per 30 June 2015 amounted to a total of 58,702,185. The same number of warrants registered in TrustBuddy AB at 30 December 2014.

## EVENTS DURING THE REPORTING PERIOD

On May 7, 2015 TrustBuddy announced a new strategy, which means that the company will mainly focus on two product segments; business loans (SME) and consumer loans with longer terms. TrustBuddys newly developed platform for consumer loans with longer terms are expected to be launched by the end of 2015. In parallel to this is implemented, the current offer of short-term loans to be transferred to the new platform.

Geographic focus on short and medium term, will be the Nordic countries together with the Netherlands and Belgium. As a result of a decreased focus on expansion into new markets TrustBuddy will be able to target their resources to core markets and thereby improve results faster and create better conditions for growth.

In connection with the announcement of the new strategy, a savings program is activated which essentially involves automation and centralization of selected functions and thus provides the opportunity for a reduction of the workforce. Cost reduction is estimated to be equivalent to about SEK 4 million per month and is expected to yield full effect in Q4 2015.

## EVENTS AFTER THE REPORTING PERIOD

TrustBuddy has since the Financial Supervisory Authority changed their view and also presenting further information regarding the PSD license, supplemented previous application from December 22, 2014 to now refer an application to become a payment institutions under the Payment Services Act (2010: 751). Application for a license to become a payment institution has been sent to the Financial Supervisory on July 8, 2015.

## PARENT COMPANY

### 1 April to 30 June 2015

Parent company net revenue for the period amounted to SEK 18.0 (21.5) million. Profit after financial items amounted to SEK -11.9 (-1.5) million. Shareholders' equity amounted to SEK 87.8 (3.5) million which represents an equity ratio of 51% (57).

### 1 January to 30 June 2015

Parent company net revenue for the period amounted to SEK 39.6 (40.9) million. Profit after financial items amounted to SEK -29.2 (-1.4) million.

## PRINCIPLES OF REPORTING

This interim report has been prepared in accordance with the Annual Accounts Act and BFNAR 2012: 1 (K3).

## 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 2014 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.

With successful marketing on the Internet and through professional actors who provide lenders, the company aims to limit these risks.

## 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 2014.

## DISPUTES AND LEGAL PROCESSES

In the second quarter there is a pending process in relation to a contract of employment with severance pay for a former employee. Furthermore, after TrustBuddy opted not to complete the agreement with the Italian company Prestiamoci, discussions have been held with the company's management regarding parts of the agreement text. Prestiamoci has directed claims equivalent to about EUR 50,000.

## FORWARD-LOOKING INFORMATION

TrustBuddy is one of Europe's leading companies in P2P, Peer-to-Peer, lending. TrustBuddy offers consumer and business loans under two brands, TrustBuddy and Geldvoorelkaar, in northern Europe.

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 AB is a credit intermediary in the market for unsecured consumer credit and 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.

Operations are exclusively conducted via the company's proprietary developed websites trustbuddy.com and 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 June was SEK 0.28.

## CERTIFIED ADVISER

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## REPORT FROM THE CEO

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

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## FORTHCOMING FINANCIAL INFORMATION

Interim Report Q3: 19 November 2015

Year End report Q4 2015: 18 February 2016

Annual Report 2015: 6 April 2016

Annual General Meeting: 27 April 2016

All reports are available after publishing on the website:

<http://investor.trustbuddy.com>



# Group income statement

Amounts in KSEK	2015	2015	2014	2014	2014
	3 MONTHS APR - JUN	6 MONTHS JAN - JUN	12 MONTHS* JAN - DEC	3 MONTHS** APR - JUN	6 MONTHS** JAN - JUN
Net revenue	21 880	48 690	85 081	21 513	40 856
Capitalized work for own account	248	615	1 459	298	669
Other income	-	-	2 316	-	-
	<b>22 128</b>	<b>49 305</b>	<b>88 856</b>	<b>21 811</b>	<b>41 525</b>
<b>Operating expenses</b>					
Direct costs	-6 780	-14 604	-15 538	-2 850	-4 719
Other external costs	-14 266	-35 455	-57 232	-13 182	-24 872
Staff costs	-12 367	-25 486	-37 763	-8 442	-14 917
Depreciation of tangible and intangible assets	-4 417	-8 208	-4 602	-1 094	-1 969
Other operating expenses	-6	-830	-	179	-35
<b>Total operating expenses</b>	<b>-37 836</b>	<b>-84 583</b>	<b>-115 135</b>	<b>-25 389</b>	<b>-46 512</b>
<b>Operating income</b>	<b>-15 708</b>	<b>-35 278</b>	<b>-26 279</b>	<b>-3 578</b>	<b>-4 987</b>
<b>Profit from financial items</b>					
Other interest income and similar items	126	234	79	148	271
Interest expense and similar items	-1 023	-1 128	-26	-16	-24
<b>Total income from financial investments</b>	<b>-897</b>	<b>-894</b>	<b>53</b>	<b>132</b>	<b>247</b>
<b>Profit after financial items</b>	<b>-16 605</b>	<b>-36 172</b>	<b>-26 226</b>	<b>-3 446</b>	<b>-4 740</b>
Tax on profit	260	-51	-708	-41	-50
<b>Net profit</b>	<b>-16 345</b>	<b>-36 223</b>	<b>-26 934</b>	<b>-3 487</b>	<b>-4 790</b>

\* Comparative figures are according to adopted annual report 2014

\*\* As TrustBuddy AB became a group in connection with the annual accounts 2014, the figures presented here are TrustBuddy International AB's figures for the first and second quarter of 2014

# Group balance sheet

Amounts in KSEK	2015-06-30	2014-12-31*
<b>ASSETS</b>		
<b>Fixed assets</b>		
<i>Intangible assets</i>		
Capitalised expenditure	24 470	19 384
goodwill	96 446	-
<i>Financial assets</i>		
Other long-term receivables	511	782
<b>Total fixed assets</b>	<b>121 427</b>	<b>20 166</b>
<b>Current assets</b>		
<i>Current receivables</i>		
Accounts receivable	13 831	17 672
Current tax assets	1 185	-
Other current assets	843	872
Prepaid expenses and accrued income	4 484	500
	<b>20 343</b>	<b>19 044</b>
<i>Cash and bank balances</i>		
Cash and cash equivalents	8 884	16 685
Client funds	31 330	15 225
	<b>40 214</b>	<b>31 910</b>
<b>Total current assets</b>	<b>60 557</b>	<b>50 954</b>
<b>Total assets</b>	<b>181 984</b>	<b>71 120</b>

Amounts in KSEK	2015-06-30	2014-12-31*
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	811	811
Other capital	145 852	66 248
Balanced profit or loss	-27 468	-2 659
Result for the period	-36 223	-26 934
<b>Total equity</b>	<b>82 972</b>	<b>37 466</b>
<b>Long-term liabilities</b>		
Other long-term liabilities	17 110	-
<b>Total long-term liabilities</b>	<b>17 110</b>	<b>-</b>
<b>Current liabilities</b>		
Accounts payable	3 889	5 777
Liabilities to Group companies	-	456
Current tax liabilities	-	912
Current interest-bearing liabilities	32 960	-
Other current liabilities	9 938	5 519
Client funds Debt	31 330	15 225
Accrued expenses and deferred income	3 785	5 765
<b>Total current liabilities</b>	<b>81 902</b>	<b>33 654</b>
<b>Total equity and liabilities</b>	<b>181 984</b>	<b>71 120</b>
<b>Summa eget kapital och skulder</b>		

\* Comparative figures are according to adopted annual report 2014

## Group cash flow statement

	2015 3 MONTHS APR-JUN	2015 6 MONTHS JAN-JUN
<b>Amounts in KSEK</b>		
<b>Cash flow from operating activities</b>		
Operating result before financial items	-15 708	-35 278
Adjustments for items not included in cash flow	4 151	3 399
Interest paid	-1 023	-1 128
Interest received	126	234
Income tax paid	-834	-2 046
<b>Cash flow from operating activities before changes in working capital</b>	<b>-13 288</b>	<b>-34 819</b>
Increase / decrease in trade receivables	3 696	3 841
Increase / decrease in current receivables	-138	-6 067
Increase / decrease in current liabilities	27 850	35 092
<b>Cash flow from operating activities</b>	<b>18 120</b>	<b>-1 953</b>
<b>Investment activities</b>		
Capitalised expenditure	-2 528	-8 139
Investments in other financial assets	87	271
<b>Cash flow from investing activities</b>	<b>-2 441</b>	<b>-7 868</b>
<b>Financing activities</b>		
Reverse acquisition	-	-13 002
Change in long-term liabilities	-17 111	17 110
<b>Cash-flow from financing activities</b>	<b>-17 111</b>	<b>4 108</b>
<b>Cash flow*</b>	<b>-1 432</b>	<b>-18 715</b>
<b>Liquid assets at beginning of period</b>	<b>12 404</b>	<b>16 685</b>
<b>Liquid assets at end of period</b>	<b>10 972</b>	<b>10 972</b>

\* The figure for the six-month cash flow is adjusted for the reverse acquisition, ie cash change both TrustBuddy AB and TrustBuddy International AB together.

## Parent company income statement

	2015	2014	2015	2014	2014
Amounts in KSEK	3 MONTHS	3 MONTHS	6 MONTHS	6 MONTHS	12 MONTHS*
	APR - JUN	APR - JUN	JAN - JUN	JAN - JUN	JAN - DEC
Net revenue	18 018	21 513	39 638	40 856	85 081
Capitalized work for own account	248	299	615	669	1 459
Other income	-	-	-	-	1 068
	<b>18 266</b>	<b>21 812</b>	<b>40 253</b>	<b>41 525</b>	<b>87 608</b>
<b>Operating expenses</b>					
Direct costs	-3 732	-2 030	-7 677	-3 899	-14 018
Other external costs	-13 652	-12 528	-35 217	-23 299	-60 170
Staff costs	-10 336	-8 102	-21 961	-14 211	-34 730
Depreciation of tangible and intangible assets	-1 601	-986	-2 815	-1 754	-4 602
Other operating expenses	-25	189	-1 145	27	-
<b>Total operating expenses</b>	<b>-29 346</b>	<b>-23 457</b>	<b>-68 815</b>	<b>-43 136</b>	<b>-113 520</b>
<b>Operating income</b>	<b>-11 080</b>	<b>-1 645</b>	<b>-28 562</b>	<b>-1 611</b>	<b>-25 912</b>
<b>Result from financial items</b>					
Other interest income and similar items	159	149	275	271	101
Interest expense and similar items	-943	-9	-956	-16	-23
<b>Total result from financial items</b>	<b>-784</b>	<b>140</b>	<b>-681</b>	<b>255</b>	<b>78</b>
<b>Result after financial items</b>	<b>-17 379</b>	<b>149</b>	<b>-29 243</b>	<b>-1 356</b>	<b>-25 834</b>
<b>Allocations</b>					
Other appropriations	-	-	-	-	435
<b>Profit before tax</b>	<b>-17 379</b>	<b>149</b>	<b>-29 243</b>	<b>-1 356</b>	<b>-25 399</b>
Tax on profit	-290	-9	-505	-51	-872
<b>Result for the period</b>	<b>-17 669</b>	<b>140</b>	<b>-29 748</b>	<b>-1 407</b>	<b>-26 271</b>

\* Comparative figures are according to adopted annual report 2014

# Parent company income statement

Amounts in KSEK	2015-06-30	2014-06-30	2014-12-31*
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible assets</i>			
Capitalised expenditure	23 094	14 677	19 384
<i>Financial assets</i>			
Shares in group companies	99 956	-	1 445
Other long-term receivables	323	221	488
<b>Total fixed assets</b>	<b>123 373</b>	<b>14 898</b>	<b>21 317</b>
<b>Current assets</b>			
<i>current receivables</i>			
Accounts receivable	9 795	13 966	17 672
Receivables from group companies	4 618	1 144	896
Current tax assets	336	1 929	-
Other current assets	699	715	811
Prepaid expenses and accrued income	2 761	590	495
	<b>18 209</b>	<b>18 344</b>	<b>19 874</b>
<i>Cash and bank balances</i>			
Cash and cash equivalents	8 510	5 503	15 613
Client funds	23 215	22 505	15 225
	<b>31 725</b>	<b>28 008</b>	<b>30 838</b>
<b>Total current assets</b>	<b>49 934</b>	<b>46 352</b>	<b>50 712</b>
<b>Total assets</b>	<b>173 307</b>	<b>61 250</b>	<b>72 029</b>
<b>Amounts in KSEK</b>	<b>2015-06-30</b>	<b>2014-06-30</b>	<b>2014-12-31*</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital	811	100	811
<i>Unrestricted equity</i>			
Balanced profit or loss	116 778	4 806	63 736
Result for the period	-29 748	-1 407	-26 271
<b>Total equity</b>	<b>87 841</b>	<b>3 499</b>	<b>38 276</b>
<b>Untaxed reserves</b>			
Allocation reserve	-	435	-
<b>Total untaxed reserves</b>	<b>-</b>	<b>435</b>	<b>-</b>
<b>Long-term liabilities</b>			
Other long-term liabilities	17 110	-	-
<b>Total long-term liabilities</b>	<b>17 110</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>			
Accounts payable	3 455	1 427	5 766
Liabilities to Group companies	1 101	27 648	1 165
Current tax liabilities	-	-	1 310
Current interest-bearing liabilities	32 960	-	-
Other current liabilities	3 907	3 374	4 817
Client funds Debt	23 215	22 505	15 225
Accrued expenses and deferred income	3 718	2 362	5 470
<b>Total current liabilities</b>	<b>68 356</b>	<b>57 316</b>	<b>33 753</b>
<b>Total equity and liabilities</b>	<b>173 307</b>	<b>61 250</b>	<b>72 029</b>

\* Comparative figures are according to adopted annual report 2014



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

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

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