Press release, 17th Feb 2015

**Safe income for international investors: lending to Swedish SMEs**

**FundedByMe launches a new peer-to-business financial solution that helps small and medium enterprises raise cash for development of their business. Regular savers can earn on an average 8-10% interest**

FundedByMe, the Stockholm-based crowdfunding platform which in the last 4 years has collected 100 000 000 SEK for entrepreneurs from almost all European countries and some Asian, will announce on 17th of February 2015 a launch of social loans for small and medium enterprises based in Sweden. Enterprises will be able to borrow money from private investors from all over the world (except USA), which makes the whole lending process much more efficient than in case of traditional banks and other institutions.

*The lower interest rates is a main reason why entrepreneurs should consider getting their financing with us in peer-to-business model. Thereby they could benefit from extremely fast growth of sharing economy sector. We understand business much better than traditional financial sector so we offer other benefits as well. We are not only more flexible, but among others we create the new groups of customers for enterprises, due to building community around them. Being social is a very important trend in business right now and we have been doing this for last 5 years* - said Daniel Daboczy, CEO of FundedByMe and one of the co-founders.

**Easy and time-saving**

The new product has just finished successfully beta-phase tests, focusing mainly on the usability. In result, creating a borrower (entrepreneur) account takes only a few minutes and can be done without leaving home. After creating an account, entrepreneurs directly receive a feedback from FundedByMe, which calculates the risk grade based on the enterprise’s financial history. Depending on it, the exact interest rate of the potential loan is set down.

Creating an account for a lender is also very simple. Within a couple of minutes, after pasting your email address you are ready to verify your ID and personal data. This step is required by international regulations. Next day, at latest, you are ready to locate your money in chosen loan campaigns.

**Invest with minimised risk and get your interest rate**

The lenders select them considering the possible revenue (0,95 - 13,33%, in fact not lower the 1,6%) and risk indicator calculated based on UC and Bisnode (former Soliditet) credit bureaus’ reports.

What makes the loan-based crowdfunding introduced by FundedByMe unique is that the lending process is almost 100% online based, fully transparent and secure for both entrepreneurs and lenders. Although the idea is based on examples of UK’s Zopa and US Funding Circle, FundedByMe solution is open for investors from all over the world, which is specially attractive for Swedish small and medium enterprises.

**FundedByMe’s success story**

FundedByMe is an online crowdfunding platform that directly connects entrepreneurs and investors. Until today the platform has been offering two types of products in Sweden: reward- and equity-based crowdfunding. Tomorrow the loan-based crowdfunding is starting, which we currently only offer in Germany. Loan-based crowdfunding will enable Swedish entrepreneurs to borrow money from private investors and, by doing so, avoid many of the costs and long procedures typical for traditional banks.

Last months have proven to be record-breaking for FundedByMe. The biggest record breaker on the platform turned out to be ISBJÖRN of Sweden - kids’ winter outerwear brand that managed to collect SEK1,2M within 24 hours after the launch on the platform. Other record breakers on the platform were Yoogaia - a Finnish interactive yoga platform, which received Venture Capital funding 3 months after a FundedByMe round, GiveApp - a mobile gifting platform that has collected over 130% of the total investment before the first FundedByMe round closed, Plick that in addition to the crowdinvestors also received VC funding in the first 24 hours on FundedByMe.

Loan-based crowdfunding is not the only new product in FundedByMe’s offer. The platform has recently entered the Asian market.

**Facts about crowdlending:**

Peer-to-peer finance market and crowdfunding is constantly growing! Here are couple of facts why this way of raising funds is also very popular among entrepreneurs:

1. (91%) Easier to get new capital than through traditional means

2. (94%) Speed

3. (90%) Easy to use

4. (86%) Transparency

5. (83%) Better service

Source: B.Zhang, The Voice of The People: Insights from the latest Peer-to-Peer Lending Research, LendIt Europe, Conference, Univeristy of Cambridge, 14th November 2014.

To learn more about FundedByMe go to: [www.fundedbyme.com](http://www.fundedbyme.com)

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