

Fifteen months report

July 2013 – September 2014 (Q5)



trig



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Trig Social Media AB (publ)

Corporate Identity Number 556788-2807

www.trig.com

HIGHLIGHTS 1 JULY - 30 SEPTEMBER 2014

- The shares of Trig Social Media AB were listed on the Frankfurt Stock Exchange, General Standard segment, on the 18 September 2014 following a successful completion of the listing application
- Net sales during the period totaled Euro 232,051 (54,052)
- Operating losses in line with expectations were Euro -1 267,936 (-547,366) for the period
- The newer version of trig.com was released as a first step to tie together Trig's different applications and making access easier for the users to all applications with a single sign in
- Trig has released version 1 of its ground breaking service Trig Moments which is a new and innovative form of photo and video sharing that is more relevant than existing types for the lifestyle of today's mobile and internet users
- Trig Money is being implemented with more shops being connected. At present some 2 000 web shops are signed up out of which approx. 1 600 are active and approx. 400 are in the process of being brought into the systems
- Trig is in talks with a potential US partner about already conducting a similar business in the US using the Trig Money application. The earlier negotiations disclosed with a potential US partner earlier did not result in any agreement
- Trig's Spanish was launch was very successful with the penetration beating expectation by tenfold

CEO's comments

Dear shareholders,

I am very pleased to be able to present to you and the rest of the world our first quarterly report following the successful listing on the Frankfurt Stock Exchange. Our company has during the past year taken tremendous steps and carried out what many businesses can only achieve over a decade, if ever. I and the rest of our personnel are very proud of what we have achieved so far not only with the listing as such but also with the release of more and more social media and connected applications.

The listing and the first day of trading took place on 18 September 2014. The first trade was made on a share price of 3 Euros a share giving the company a market cap of approx. 1 billion Euros.

During the period we have released the all new version of trig.com making it the hub for all our applications and creating a multiple log on system for all. We believe this will increase our users' engagement with us.

Furthermore Trig has through the continued release of various applications and improvements made Trig stand on solid ground for the future. Trig is still a company developing and growing rapidly which makes Trig not only exiting but also very interesting for our shareholders and investors.

In the near future we will see the release of the Trig Moments service on phones and tablets not only as a beta version but available on multiple platforms with apps for both Apple and Android systems. We have high expectations on the service and our user test groups are enjoying the service more and more as it is further developed.

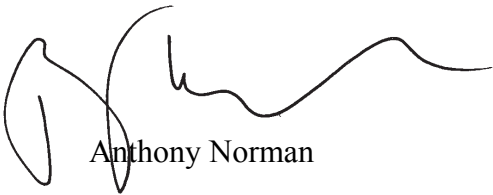
Trig TV was released on 12 October 2014 as a beta version whilst we are preparing the scene for the action to come when fully released. The full scale release will also see the release of an eSports channel which is part of Trig's newest strategy – to take a solid grip on the fragmented business around the eSports sector. We believe we can become a major player on the eSports arena by introducing new and challenging services as well as activities currently being planned. The eSports drive also includes the creation of a Trig eSports team and an eSports nations' tournament. This strategy, together with all our engagement applications, is designed to draw traffic to our unique cash back application Trig Money.

We have also entered into an agreement with the owners of Filmquity S L that runs a Spanish movie streaming platform through which we will access content to Trig TV and also be able to find synergies by having the administration of Trig TV carried out by Filmquity S L.

Based on the knowledge of the recent developments on our services I am more than confident that Trig's journey has only begun and that the giant steps we took so far this year will be seen as small in a year from now.

As you might have seen in the pressrelease from last Friday I have been appointed as new Chairman of the Board of directors and consequently resigned from the position as CEO in the company last week. The decision was made in the best interest of Trig since I simply could not continue to devote the time needed for the assignment. I am involved in many other companies that need my attention but it has been an extremely challenging and interesting time. I am happy to see that Phillip Cook has accepted to take on the role as the new CEO which means that the company will continue to be in good hands. I remain a member of the Board of directors and will work to support Phillip to deliver the true potential of Trig.

Nacka, 28th of November 2014



Anthony Norman
Former CEO



Phillip Cook
CEO

Key ratios for the Group

	July-sept 2014	Jan-sept 2014	July 13- Sept 14	July- Sept 2013 (TE)	Jan- Sept 2013 (TE)	July 12- Sept 13 (TE)
Euro (€)						
Net sales	232 051	332 584	350 636	0	0	0
Operating profit/loss	-1 267 936	-2 032 234	-2 420 690	-201 402	-211 962	-212 456
Operational margin	Neg.	Neg.	Neg.	Neg.	Neg.	Neg.
Balance total	5 541 889	5 541 889	5 541 889	393 150	393 150	393 150
Solidity	58%	58%	58%	2%	2%	2%
Investment non current assets	682 452	7 099 083	7 099 083	0	0	0
Number of shares at the end of the period	363 749 998	363 749 998	363 749 998	275 000	275 000	275 000
Earnings per share	-0,003	-0,006	-0,007	-0,732	-0,771	-0,773
Dividends per share	N/A	N/A	N/A	N/A	N/A	N/A
Number of Employees	23	23	23	4	4	4

Unless indicated otherwise, all amounts are in Euro.

In the report Trig Social Media AB (publ.) will also be designated as TSM. Trig Entertainment AB will also be designated as TE and Trig Media Group AB (publ.) as TMG and Trig Royalty Ltd as TR.

The Group was formed on 28 March 2014. The comparative figures refer to Trig Entertainment AB. Trig Entertainment was acquired as a so-called common control and then with historical figures be used for comparison figures. More information about this acquisition is presented in Note 1.1

Business operations and organization

As per 30 September 2014 Trig Social Media AB (publ.) had two 100%-owned subsidiaries. The first in the form of Trig Entertainment AB, Swedish Corporate Identity Number 556781-3729, and founded on 22 February 2009 and registered with the Swedish Companies Registration Office on 23 April 2009. The second subsidiary is Trig Royalty Ltd, a company incorporated in the United Arab Emirates that currently is dormant but that is intended to be used for commission payments etc. for Trig Money.

In April 2014 Trig Social Media AB (publ.) changed its financial year to calendar year thus extending the current financial year to 18 months covering the period 1 July – 31 December 2014. The following financial years will cover 12 months (1 January – 31 December).

Due to this change this report covers the fifth quarter of the current financial year that all in all will cover 6 quarters.

The operations are carried out through Trig Entertainment in which all personnel are employed. At the end of the previous three months period there were 15 employees. At the end of this period the number of employees has reached 23 and in addition to that there are currently 11 consultants engaged on a full time basis.

The Group develops, manages and operates different social media user oriented services on the internet as well as a cash back service for purchases made over the internet.

The services currently provided and under development and for release in the near terms are:

Trig.com

Trig is providing an international social media platform under the brand trig.com. Being the beginning of a multi service environment we call Trig Social. The social media landscape has changed since the dawn of Facebook and Twitter. People are constantly connected and the flow of information can be daunting to say the least: Each day, over 60 million status updates are made on competing platforms and over 6 000 tweets are tweeted each second! Trig Social brings all your social feeds together in one place – so that you can focus on just enjoying your favorite content. Trig Social delivers a platform where users can communicate seamlessly across borders in the language of their choice, where users with similar interests can exchange ideas and information, where news and information can be provided freely and without bias, where entertainment can be received from their country of origin, where this content is available for free whenever the user is located. The social community engaged in Trig.com today comprises more than 3 million members, not taking into account the other 23 million from affiliates.

Trig Money

Coupled to the platform is a partially patented applied income generator with the trade name, Trig Money. The ultimate goal of the platform is to create a forum offering various interesting content products which will attract members and tempt them to use the platform regularly for their purchases. The income sources are twofold. First, in the usual form of various advertisement fees and, secondly, in the form of the Trig Money cash back scanner which creates a cash back as soon as a member makes a purchase in any of the on line shops with which Trig Media Group has an agreement. Today, more than 1,600 shops are connected in 18 countries and approx. 400 more are signed up and under the process of being inserted into the systems.

In addition to promoting Trig Money and its other services through trig.com, the Group also has a strategy to market so- called “White Label” solutions to various organizations with large customer data bases, such as sport organizations, religious organizations, etc. Such agreements have been signed with various partners covering more than 23 million members.

Trig Money is the company’s main source of revenue to date. The Scanner works as following: When the user connects to a search engine like for example Google, and searches for a specific product he/she can see a Trig Money symbol on all search results that are connected to Trig Money. By drawing the mouse over the search result, a Trig Money symbol will drop down on the upper right side of the screen setting out the actual Cash Back reward that is connected to this store. The same applies as soon as you link to a web shop that is connected to Trig Money.

A key resource is the patent pending features of Trig Money. Trig Direct is the B2B affiliate network created by Trig Money to be able to act locally with online retailers. The Trig Direct platform uses powerful conversion optimization tools to be able to verify our affiliates increase in sales performance

and turn websites, apps, and e-commerce into profitable revenue streams.

Trig TV

Trig Tv is an online media streaming platform that produces exclusive content in-house, distributes branded content and user-generated content to a global audience. Trig Tv seeks to establish the means, motivation, and creativity to ignite a new era in content development. Trig Tv already has an established user base and will market to the Trig Social users. Trig Tv has unique access to celebrity profiles within the sports, entertainment, music and fashion industry via Trig's ambassador program. Trig Tv will create user value through exclusive content of Trig brand ambassadors, such as football and music stars.

Trig Tv is a complete online media platform built on best-in class technical solution. When traffic to website increases both ad revenue and Trig Money downloads will generate profit.

Trig Tv relies on a best-in-class technical solution from Screen9, a solution with endless API capabilities able to develop a truly unique platform for maximizing user engagement. The platform is developed to manage large live streaming events in global high definition, having extensive video delivery, enabling mobile streaming to all major devices, and presenting market-leading statistics. It also has a truly user-friendly interface with easily extendable players and video widgets with automatic search engine inclusion.

Income from Trig Tv will be generated twofold. To begin with, Trig Tv will offer viewers ad-free content as a feature if down loading Trig Money and primary revenue source in Trig Social Media. Trig Tv will also attain ad revenue (pre rolls, mid rolls, and banners) from viewers who choose not to download the Trig Money plug-in. The impact and constant flow of brand ambassadors, traffic, and viewers to Trig Tv can prove to drive a new culture of content creation and distribution. Via exclusive content creation, TrigTv has the potential to successfully make the most of its vast user base, thereby securing a leading position in the online Tv market. Trig Tv is also exploring the possibility, through various international partners, to connect our Trig Tv platform to Smart Tv solutions. Trig Tv has the intention to provide a new groundbreaking application that connects brand ambassadors with fans to maximize user engagement.

HeyHey

Trig HeyHey is a powerful instant messaging app which allows users to communicate via text or voice messages as well as send images and short videos between users. The HeyHey messenger app can be downloaded from both the Apple App Store and Android Market. Instant messaging apps compete with social media and SMS as a means of communication, but in our case it will be a complement to Trig's aim to seamlessly communicate over all platforms. HeyHey will be integrated into all other websites and apps developed by Trig as a multimedia messaging – and sharing platform with a robust feature set.

Momentik by Trig (Beta)

Momentik by Trig had an 'invitation only' beta release of the product on September 1st, 2014. The global launch is anticipated for the end of the year when the apps have been finalized and available in the Apple App Store and for Android phones as well. Momentik by Trig aims to compete with leading photo sharing services with social features such as Instagram, Snapchat, and others. Momentik by Trig will have built-in viral features and invites via your smartphone contacts allowing it to spread quickly.

Utilizing the company's 23 million user base and marketing efforts by its brand ambassadors, the service will have a substantial possibility of immediate success when it comes. We believe, Momentik by Trig will reinvent the way users experience and share the moments in their life that are worth remembering. It's a new, harmonic, and memorable way to appreciate every moment as a social community.

Trig Music (to be released)

Trig has a long and lasting relationship with the music industry. In fact, Trig started as a music service online similar to Myspace. The Trig Music platform is in a developmental stage and will connect its vast user base to its new social network adding sharing functions into its platform and expand offerings to its socially connected audiences. It will take advantage of the new generation of smartphones and develop applications for connecting streaming services. Trig Music will be available across different devices and boost the popularity of streaming services in key markets. The Music platform has commercial partnerships with a number of music artists who have committed to be brand ambassadors for a number of Trig products. These will have a significant impact on the initial acquisition of new users. The digital music streaming market is evolving and Trig acknowledges that there is still plenty of room for world-wide growth in this industry. For the first time ever, digital sales in music are now growing faster than there is a decrease in physical sales, which will lead to profitable businesses going forward. Trig Music will capitalize on its user base to keep its focus towards maximizing user engagement.

Trig eSports

Trig is developing into the eSports space for generating user engagement to cross-sell with other Trig products like Trig Money and to kick-off the brand new web-tv platform Trig Tv. For more and detailed information on Trig's eSports program, please visit www.trigesports.com.

The Internet has united people all across the world to turn eSports from a past-time niche into a hugely popular phenomenon that has seen explosive growth in recent years. Viewership has gone from the hundreds to hundreds of the thousands. Prize pools have gone from a pittance to millions. Now more than ever, players are considering pro-gaming as a valid career. Since Blizzard Entertainment released StarCraft II in 2010, eSports really blossomed in to the wildly successful spectator sport it has become today.

The model will see Trig move to control teams in there sector year and establish a global circus of events with various cities. This will lead to a truly global professional network of players.

Business concept, vision and strategy

Trig Social Media is a global social media platform provider designed as a social communication platform for all social needs in trig.com. Our goal is to deliver to our users a service:

- Where users can communicate seamless across borders in the language of their choice;
- Where users with similar interests can exchange ideas and information;
- Where news and information can be provided freely and without bias;
- Where entertainment can be received from their country of origin;

- Where this content is available free wherever the user is located;
- Where for free the user can receive cash refunds as they shop online by using our cash refund application TrigMoney.

We have a primary interest in protecting the data regarding our users and, due to this, we will always ensure

- That the data and images belong to our users;
- That we will never use this information for marketing purposes;
- That we will never license or sell this data to any advertiser;
- That we will organize the transfer of information over the Internet in a manner which can protect the information from the access by public officials, government agencies, etc.
- That we will protect the innocence of children and minimize the potential of them being exposed to grooming and or unseemly images of any kind.

Risks and uncertainties

Through its business operations, The Group is exposed to various risks, both financial and operational. Operational risks relate to The Group's day-to-day business and the financial risks relate to the capital requirements of The Group's different operations.

Operational and development risks

For a Group providing online social media services and other online services the risk phase is during the development of the services and immediately after launch of the services due to either taking costs for the development of services that are not, when launched, liked or enjoyed by the user or, when liked or enjoyed by the user, that so called copy cats do launch a similar or even improved service.

Financial risks

Through its business operations The Group is always exposed to financial risks. The principal risks are currency risks and the risk of co-operation partners not paying their debts to The Group. The Group does not have any bank loans or similar and the operations are funded by equity and loans from the parent company which are interest free.

Interest-rate risk

Since The Group does not have any loans or external financing other from its parent company, which are interest free, the Group has a small interest-rate risk. If the Group will require taking up bank loans or similar the risk is that changes in interest rates will affect net interest items and cash flow.

Currency risks

The currency risk is the risk that changes in exchange rates will affect the consolidated income statement, balance sheet and cash flow statement. The functional currency as well as the accounting currency of the Group is euro while the operating currency in projects may be other currencies.

Financing risk

The financing risk is the risk that the Group will not have sufficient cash flow or be able to raise enough funds to continue to develop additional services or to finalize the ongoing projects.

Legal risk

No companies in The Group are currently exposed to any litigation or arbitration and the management is not aware of any potential disputes. However there is always a risk that competitors' may argue that The Group infringes on patents, trademarks or similar which, however, is also the case for The Group in relation to other parties, where Trig Social Media then would need to defend its rights.

Seasonal fluctuations

The Company is not exposed to seasonal fluctuations due to the fact that the services provided are not of such types.

Significant event during the period July 2013 to September 2014

During the accounting period, TSM prospectus for listing purposes has been approved. After the approval of the prospectus, TSM did apply for a so-called Euro Pass which TSM used for an application for the listing of its shares on the Frankfurt Stock Exchange's regulated market, the General Standard segment. Following the approval of the application the shares in TSM were listed on the 18th of September 2014.

During the accounting period TSM also conducted new shares issues. In the first approx. 6.3 million shares were issued increasing the equity of the company with some 2,5 million Euros.

As part of the work with the launch of the Employment Share Program ("ESP") another share issue was carried out. It is the management's belief that the ESP will be in place before the end of 2014. The program has earlier been referred to as the ESOP. In order to facilitate the program TSM has entered into an agreement with Nordic Company Ltd and Southern Company Ltd to manage the shares available under the program. In order to initiate this a total of 32 500 000 shares in TSM were issued to the both companies in July at quote value but with an obligation to pay an additional 0,40 per share to TSM.

Trig has also acquired the product Momentik, a social service and application including a web service that will deliver a new and innovative form of photo and video sharing that is more relevant than existing ones for the lifestyle of today's mobile and internet users. The service has during the period been released as a beta version that and the full scale version including mobile apps will be released under the brand Trig Moments during the late fall.

Significant events after the period

Shortly before the release of this report TSM announced that Anthony Norman has resigned from the position as CEO and that Mr Phillip Cook has been appointed as new CEO.

The company has in October entered into an agreement to acquire a 40% stake in the Spanish movie streaming company Filmquity S L that provides its services under the brand name Tucut. The acquisition is expected to be finalized before the end of 2014.

Net sales

2014 is a startup year for the Group and the operations in its new form in the newly created group. For this reason the Group has not yet shown any essential income streams for the period July 2013 to September 2014. The management had expected that the revenue streams would have started to increase during the third period of 2014 due to the release of the all new Trig Money application and the agreements entered into with various organizations giving TSM the opportunity to benefit from their members downloading the TrigMoney app and using it. However the implementation of the unique TrigMoney application experienced development delays that have now been resolved. The Company will shortly release version 5 of Trig Money which will improve the User experience and therefore the effectiveness of the application. It shall also be noted that the income stream of the group has a built in delay of approx. 60 - 90 days, i.e. any cash back generated through a connected store will not recognize until at least two months after the transaction takes place as the Group's cash back (commission) is paid out from the connected store 60-90 days after the transaction has been made.

Profit/loss

The fifteen month report show a loss depending on the fact that the Group has had significant costs with the development and deployment of trig.com, Trig Money, Trig Moments, Trig Tv, HeyHey and other services under development. The losses were in line with management expectations

Cash Flow

Cash flow from operating activities during the period July 2013 to September 2014 was negative due to the fact that the Group has had significant costs with the development and deployment of Trig.com, Trig Money and other services. The operations have been financed by the new share issues conducted during the accounting period.

The Group has invested 3,8 million Euros in intellectual property rights and acquiring Trig Entertainment AB for 2,6 million Euros which was funded through the Parent Company (TMG). Additional 0,7 million Euros the Group has invested in other non-current assets.

Financial position and liquidity

As per 30 September 2014 the Group had cash reserves amounting to approx. 600 000 Euro.

The Board of Directors is of the opinion that this, combined with income from sales and other financing sources, will suffice as working capital minimum 12 months forward. If the situation would occur that TSM would require additional cash for its expansion TSM will solve this by either

additional rights issues or by taking up loans from either Social Media Investments Ltd or third parties such as private investors or banks to balance the possible short term cash requirements.

At the time for the release of this report the Group had cash and cash like reserves amounting to 330 000 Euro plus receivables. In addition to that the both companies holding the shares in TSM to be used under the ESOP, Northern Company Ltd and Southern Company Ltd, have an agreed debt to TSM for 13 000 000 Euro which is to be paid to TSM in order to satisfy TSM's claim for full payment for the ESOP shares. The claim is calculated as the number of shares received by the both companies and multiplied by 0,40 Euro per share which is then the agreed consideration. At the moment for the preparation of this report TSM has started to receive such payments. It is the management's opinion that full satisfaction for the claims on the both companies will be received within a period of 12 to 24 months. During October and November this has generated a total of 300 000 Euro to TSM.

Investment, disposal and acquisition – related party transactions

Trig Social Media AB (publ.) has on the 28 March 2014 acquired Trig Entertainment AB together with intellectual property rights from its Parent Company. The purchase amount was 6,4 million Euros. Additional 0,7 million Euros the Group has invested in other non-current assets.

Employees

During the period, the Group has, through the newly created group structure, taken over the organization of the parent company and has, at this point in time, an organization comprising of 23 employees plus 11 consultants. It is expected that the Group will need to employ further personnel during the remainder of the year in pace with its expansion with focus on IT services and programming.

TSM has initiated the launch of the Employment Share Program ("ESP"). Under the ESP key personnel of the company as well as important consultants will be offered options under the program. TSM is currently drafting the terms for the ESOP and the ambition of the management is to finalize the work before the years end.

Parent Company

Trig Social Media AB (publ.)'s main owner is Trig Media Group AB (publ), currently controlling approx. 74,79% of the shares at the time of the release of this report. The main owner of Trig Media Group AB (publ) is Social Media Investments Ltd holding 82,16% of the shares in Trig Media Group AB (publ). Social Media Investments Ltd is controlled by Phillip Cook, an Australian investment banker aged 60, and Australian citizen. Mr. Cook is also the CEO of Trig Social Media AB (publ).

Trig – Share

There are currently 363 749 998 shares in issue. Through the Special rights issue and the disposal of Trig Social Media shares by Trig Media Group the company now have approx. 450 shareholders.

The Group's major shareholders do not have varying voting rights. The Group is directly controlled by one shareholder, Trig Media Group AB (publ), which as per 30 September 2014 held 74,79 % of the shares which makes Trig Media Group AB (publ) the controlling shareholder.

There are currently no arrangements with Trig Media Group AB (publ) in place to regulate this control.

The shares of Trig Social Media AB (publ) were listed on the Frankfurt Stock Exchange, General Standard, on the 18 September 2014. The first trade in the shares were made at 3,0 Euros per share giving the company a market cap of around 1 billion Euros.

The share price on the closing of the 30 September 2014 was also 3,00 Euros. During the same period of time the main German DAX index and the General Standard index fell with 3,3% and 0,64% respectively.

During October and November 2014 we have seen an increased interest in the Trig Social Media AB shares with increased volumes in the daily trading but also some increased volatility. The share price has under the period up from 1 October until 24 November 2014 increased to 3,135 Euros per share but at the same period the share price has moved within the price range from 2,85 – 3,29 Euros.

On the 24 of November the shares of Trig Social Media AB (publ) were trading at 3,135 Euro and have therefore gained approx. 4,5% since the first day of trading.

Financial calendar


- The Year-end report for 2014 (Q6) for the period July 2013 to December 2014 will be presented on 27 February 2015.
- The Annual Financial Report for year 2013/2014 will be presented on 29 April 2015.
- The interim report for the period January – March 2015 will be presented on 29 May 2015.
- The interim report for the period January – June 2015 will be presented on 31 August.

The financial year 2015 will cover the period 1 January – 31 December 2015.

This report has not been reviewed by the Group's auditor.

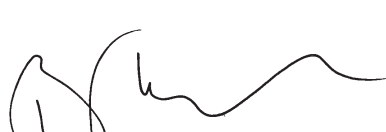
Nacka, Sweden 28th of November 2014

The Board of Directors of Trig Social Media AB (publ)



Peter Kusendal

Chairman of the board



Anthony Norman

CEO



Lars Hellewig

Member

Consolidated income statement

	July-Sept 2014	Jan-Sept 2014	July 13 - Sept 14	July - Sept 2013	Jan - Sept 13	July 12 - Sept 13
CONSOLIDATED INCOME STATEMENT						
Amounts in Euro (€)						
Net sales	232 051	332 584	350 636	0	0	0
Gross operating income	232 051	332 584	350 636	0	0	0
Other external costs	-1 195 689	-1 703 108	-1 983 246	-165 861	-163 721	-164 103
Personell costs	-206 545	-459 152	-539 884	-12 536	-12 676	-12 706
Depreciation and write down of tangible and intangible assets	-97 753	-202 558	-248 196	-23 006	-35 565	-35 648
Operating profit/loss	-1 267 936	-2 032 234	-2 420 690	-201 402	-211 962	-212 456
Financial items, net	-39 468	-39 473	-39 710	0	0	0
Profit/loss before income tax	-1 307 404	-2 071 707	-2 460 400	-201 402	-211 962	-212 456
Income tax	0	0	0	0	0	0
Profit/loss for the period	-1 307 404	-2 071 707	-2 460 400	-201 402	-211 962	-212 456
Attributable to parent company shareholders	100%	100%	100%	100%	100%	100%
Average number of shares	361 639 446	264 991 149	158 994 689	275 000	275 000	275 000
Earnings per share, before and after dilution	-0,004	-0,008	-0,015	-0,732	-0,771	-0,773

Consolidated statement of comprehensive income

	July-Sep 2014	Jan-Sept 2014	July 13 - Sept 14	July - Sept 2013	Jan-Sept 2013	July 12 - Sept 13
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME						
Amounts in Euro (€)						
Profit/loss for the period	-1 307 404	-2 071 707	-2 460 400	-201 402	-211 962	-212 456
Items that may be subsequently reclassified to profit or loss						
Other comprehensive income translation difference subsidiaries	27 982	30 790	30 790	0	0	0
Total comprehensive income	-1 279 422	-2 040 917	-2 429 610	-201 402	-211 962	-212 456
Attributable to parent company shareholders	100%	100%	100%	100%	100%	100%

Consolidated Balance Sheet

	Sept 30 2014	Sept 30 2013
CONSOLIDATED BALANCE SHEET		
Amounts in Euro (€)		
Assets		
Intangible assets	3 802 444	207 109
Tangible assets	48 378	0
Total non-current assets	3 850 822	207 109
Short term receivables	1 077 327	186 041
Cash and bank balances	613 740	0
Total current Assets	1 691 066	186 041
Total Assets	5 541 889	393 150
Equity and liabilities		
Equity attributable to owners of the parent		
Share capital	72 750	32 164
Additional paid in capital	8 932 556	184 999
Retained earnings	-5 783 877	-210 139
Total Equity	3 221 429	7 024
Long term liabilities	0	0
Current liabilities	2 179 612	383 244
Accrued expenses and deferred income	140 848	2 882
Total current liabilities	2 320 460	386 126
Total Equity and liabilities	5 541 889	393 150

Consolidated cash flow statement

	July - Sept 2014	Jan - Sept 2014	July 13 - Sept 14	July - Sept 2013	Jan - Sept 2013	July 12 - Sept 13
CONSOLIDATED CASH FLOW STATEMENT						
Amounts in Euro (€)						
Operating profit/loss	-1 267 936	-2 032 234	-2 420 690	-201 402	-211 962	-212 456
Adjustment for non-cash items	97 753	202 558	248 196	23 006	35 565	35 648
Interest paid	-40 702	-40 707	-40 944	0	0	0
Interest income	1 234	1 234	1 234	0	0	0
Income tax paid	0	0	0	0	0	0
Cash flow from operating activities before working capital changes	-1 209 651	-1 869 149	-2 212 204	-178 396	-176 397	-176 808
Changes in receivables	-519 204	-482 542	-482 542	186 041	186 041	186 041
Changes in liabilities	1 497 391	1 039 585	1 828 521	-7 645	-9 644	-9 233
Cash flow after working capital changes	-231 464	-866 225	-866 225	0	0	0
Acquisition intangible assets	-645 238	-4 401 756	-4 401 756	0	0	0
Acquisition tangible assets	-37 214	-48 378	-48 378	0	0	0
Acquisition subsidiaries	0	-2 648 949	-2 648 949	0	0	0
Cash flow from investment activities	-682 452	-7 099 083	-7 099 083	0	0	0
Shareholders contributions	0	6 976 643	6 976 643	0	0	0
New share issue	1 520 405	1 602 405	1 602 405	0	0	0
Cash flow from financing activities	1 520 405	8 579 048	8 579 048	0	0	0
<i>Cash flow of the year</i>	606 489	613 740	613 740	0	0	0
Cash at the beginning of the year	7 251	0	0	0	0	0
Cash at the end of the year	613 740	613 740	613 740	0	0	0

Changes in Group Equity

Amounts in Euro (€)	Share capital	Profit or loss brought forward	Total equity attributable to parent company shareholders
Opening balance 1 July 2012	32 164	0	32 164
Total comprehensive income for the period		0	
Closing balance 31 March 2013	32 164	0	32 164
Total comprehensive income for the period		-509	-509
Closing balance 30 June 2013	32 164	-509	31 655
New share issue	61 750	1 540 655	1 602 405
Effect acquisition	-21 164	-3 327 193	-3 348 357
Total comprehensive income for the period	0	-2 040 917	-2 040 917
Shareholders contributions		6 976 643	6 976 643
Closing balance 30 Sept 2014	72 750	3 148 679	3 221 429

Parent Company Income Statement

	July - Sept 2014	Jan – Sept 2014	July 13 – Sept 14	July – Sept 2013	Jan – Sept 2013	July 12 – Sept 13
INCOME STATEMENT						
Amounts in Euro (€)						
Net sales	1 350	1 350	1 350	0	0	0
Gross operating income	1 350	1 350	1 350	0	0	0
Other external costs	-469 959	-622 301	-622 301	0	0	0
Personnel costs	0	0	0	0	0	0
Depreciation and write down of tangible and intangible assets	-91 845	-185 502	-185 502	0	0	0
Operating profit/loss	-561 804	-807 803	-807 803	0	0	0
Financial items, net	-37 930	-36 696	-36 696	0	0	0
Profit before income tax	-598 384	-843 149	-843 149	0	0	0
Income tax	0	0	0	0	0	0
Profit/loss for the period	-598 384	-843 149	-843 149	0	0	0
Average number of shares	361 639 446	264 991 149	158 994 689	0	0	0

Parent Company statement of comprehensive income

	July – Sept 2014	January – Sept 2014	July 13 – Sept 14	July – Sept 2013	Jan – Sept 2013	July 12 – Sept 13
STATEMENT OF COMPREHENSIV E INCOME						
Amounts in Euro (€)						
Income for the period	-598 385	-843 149	-843 149	0	0	0
Items that may be subsequently reclassified to profit or loss						
Other comprehensive income						
translation difference subsidiaries	10 818	12 875	12 875	0	0	0
Total comprehensive income	-587 567	-830 274	-830 274	0	0	0

Parent Company Balance Sheet

	Sept 30 2014	Sept 30 2013
BALANCE SHEET		
Amounts in Euro (€)		
Assets		
Intangible assets	3 644 797	0
Tangible assets	23 454	0
Financial assets	3 430 832	0
Total non-current assets	7 099 083	0
Short term receivables	201 699	11 000
Inter-company transactions	1 562 559	0
Cash and bank balances	579 035	0
Total current Assets	2 343 293	11 000
Total Assets	9 442 376	11 000
Equity and liabilities		
Equity		
<u>Restricted equity</u>		
Share capital	72 750	11 000
New share issue in progress	0	0
<u>Non-restricted equity</u>		
New share issue	1 542 748	0
Additional paid in capital	6 591 516	0
Retained earnings	-832 367	0
Total Equity	7 374 646	11 000
Long term liabilities	0	0
Current liabilities	1 331 718	0
Inter-company transactions	736 011	0
Total current liabilities	2 067 729	0
Total Equity and liabilities	9 442 376	11 000

Parent Company cash flow statement

	July – Sept 2014	Jan – Sept 2014	July 13 – Sept 14	July – Sept 2013	Jan – July 2013	July 12 – Sept 13
CASH FLOW STATEMENT						
Amounts in Euro (€)						
Operating profit/loss	-561 804	-807 803	-807 803	0	0	0
Adjustment for non- cash items	91 845	185 502	185 502	0	0	0
Interest paid	-39 164	-37 930	-37 930	0	0	0
Interest income	1 234	1 234	1 234	0	0	0
Income tax paid	0	0	0	0	0	0
Cash flow from operating activities before working capital changes	-507 888	-658 997	-658 997	0	0	0
Changes in receivables	-1 185 200	-2 061 682	-2 061 682	0	0	0
Changes in liabilities	965 629	2 067 729	2 067 729	0	0	0
Cash flow after working capital changes	-727 459	-652 950	-652 950	0	0	0
Acquisition intangible assets	-196 177	-3 826 303	-3 826 303	0	0	0
Acquisition tangible assets	-12 984	-24 617	-24 617	0	0	0
Acquisition subsidiaries	-12 001	-2 648 949	-2 648 949	0	0	0
Cash flow from investment activities	-221 162	-6 499 869	-6 499 869	0	0	0
Shareholders contributions	0	6 591 516	6 591 516	0	0	0
Shareholders contributions	0	-462 067	-462 067	0	0	0
New share issue	1 520 405	1 602 405	1 602 405	0	0	0
Cash flow from financing activities	1 520 405	7 731 854	7 731 854	0	0	0
<i>Cash flow of the year</i>	571 784	579 035	579 035	0	0	0
Cash at the beginning of the year	7 251	0	0	0	0	0
Cash at the end of the year	579 035	579 035	579 035	0	0	0

Change in Parent Company Equity

Amounts in Euro (€)	Share capital	Profit or loss brought forward	Total equity attributable to parent company shareholders
Opening balance 1 July 2012	11 000	0	11 000
Total comprehensive income for the period		0	0
Closing balance 31 March 2013	11 000	0	11 000
Total comprehensive income for the period		0	0
Closing balance 30 June 2013	11 000	0	11 000
New share issue	61 750	1 540 655	1 602 405
Total comprehensive income for the period		-830 274	-830 274
Shareholders contributions		6 591 516	6 591 516
Closing balance 30 Sept 2014	72 750	7 301 896	7 374 646

Notes to the accounts

Note 1 General information

The Group consists of the parent Trig Social Media AB (TSM) and its subsidiary Trig Entertainment AB (TME). TSM is a public limited company registered and domiciled in Sweden. The Head office address is Vikdalsgränd 10B, Box 1268, 131 28 Nacka Strand, Sweden. The Group's business is to develop, manage and operate an international social media platform under the brand trig.com. Coupled to the platform is a partly patent applied income generator with trade name TrigMoney. The Board decided in 2014 to seek a listing on the Frankfurt Stock Exchange's regulated market. Such listing took place on the 18th of September 2014.

Unless otherwise stated, all figures are in Euro which is the reporting currency. The consolidated financial statements have been prepared based on going concern. Assets and liabilities are valued at their historical cost.

The Parent Company (TSM) applies the Annual Accounts Act and the Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. Application of RFR 2, the parent company as far as possible applies all EU-approved IFRS as part of the Annual Accounts Act and Security Act, and considering the relationship between accounting and taxation.

Since Trig Social Media AB (publ.) prepares consolidated groups accounts for the first time and the chosen accounting policy is IFRS the parent company changes accounting policy from The Swedish Accounting Standards Board (Swedish: Bokföringsnämnden) recommendations to RFR 2 accounting for legal entities. The transition from the earlier used accounting principles in the parent company to RFR 2 has not created any effect on the parent company's accounting. If the parent company in any case uses other accounting principles than the Group this is stated separately at the end of this note.

1.1 Basis for preparation and Accounting Principles

This interim report is Trig Social Media AB's third interim report prepared according to IFRS (International Financial Reporting Standards). It covers the three months and fifteen months ended September 2014 and it is prepared in accordance with IAS 34, Interim Financial Reporting.

In April 2014 an Extraordinary General Meeting decided to extend the company's financial year with 6 months making the current financial year 18 months and covering the period from 1 July 2013 to 31 December 2014. Therefore this report the third quarter report for 2014 is actually the fifth quarter report.

The following financial years, starting 1 January – 31 December 2015, will be calendar year.

Trig Social Media AB (publ.), formerly Grundstenen 126558 AB, was founded in 2009. On 27 March 2014 the shares in Trig Social Media AB (publ.) were acquired by Trig Media Group AB (publ.) from Svenska Standardbolag AB for an amount of 11 000 Euro. The same day when Trig Media Group AB (Publ.) had the influence and control a new share issue was made with the amount 54 000 Euro in Trig Social Media AB (publ.) On 28 March 2014 Trig Social Media AB (publ.) acquired the subsidiary Trig Entertainment AB from Trig Media Group AB (publ.) at the amount 2 648 949 Euro.

The acquisition is, from an accounting perspective, regarded as a transaction under common control.

Given that IFRS does not deal with this type of transactions, the group has chosen an accounting principle that prepares consolidated financial statements based on historical book values. This method implies that assets and liabilities are presented based on the carrying amounts of the acquired entities for the highest level of common control for which financial statements are prepared. This also means that the group decided to include comparative figures and the current financial year results as if the companies have always been part of the same group.

The purchase price for Trig Entertainment was 2 648 949 Euro. The net liability who was taken over to historical value was 709 713 Euro. The effect of the acquisition 3 358 662 Euro are recognized in equity.

The consolidated financial statements for the Group have been prepared in accordance with IFRSs as adopted by the EU. The principal accounting principles applied in these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to make certain judgments in applying the group's accounting policies, see Note 5 below.

Note 2 Segment reporting

The group has had revenue during the period July 13 to September 14 amounting to 350,636 Euro. The group will conduct its operations in one business and several geographical areas. The business segment is to develop the platform trig.com and all connected services. The geographical area for the TrigMoney service is today 16 countries mainly in Europe. The revenue however is so far mainly from Sweden. The Segment reporting regarding geographical areas will then be updated and presented in the future reports.

Note 3 Transitions to IFRS

This report is the third report of the Group which is prepared in accordance to IFRS. The accounting policies described in Note 1 applied in the preparation of this interim report. The transition to IFRS for the Group and Trig Entertainment AB has had no impact neither for the Group or Trig Entertainment AB's accounting, consolidated financial position, result of operation or cash flow.

Note 4 Transactions with related parties

Trig Social Media AB (Publ.) has acquired Trig Entertainment AB and certain intellectual property rights from Trig Media Group AB (publ.) amount 6 404 870 Euros. It is the Boards opinion that these transaction were made on commercial terms.

Note 5 Disclosure of critical accounting estimates and assumptions that have affected the financial statements

The Group has acquired the subsidiary Trig Entertainment AB and certain intellectual property rights from Trig Media Group AB (publ.). These acquisitions have meant that the board had to make estimates and assumptions.

- Regarding the acquisition of the subsidiary Trig Entertainment AB, the Group has chosen the principle to account for this common control transaction by usage of predecessor accounting. Under this method the acquirer incorporates predecessor carrying values. The difference between the consideration given and the aggregate book value of the assets and liabilities are recognized in retained earnings.
- Regarding the acquisition of intellectual property rights these have been acquired based on the latest know market transaction which the board believes is the fair market value. The Board will on a regular basis evaluate any need for impairment of the value. Currently there is no impairment needed.
- The Board has also had assumptions regarding Trig Social Media AB's (publ.) shares in the subsidiaries Trig Entertainment AB. The Board has therefore commissioned an independent valuation which indicates that there is no impairment needed.

Note 6 Other information

This is the Groups second report regarding IFRS. The Groups latest annual report applies the Annual Accounts Act and Swedish Accounting Standard Boards. The transaction to IFRS has had no impact neither to the Group or Trig Entertainment AB.

The Groups financial assets and liabilities carried at amortized costs and is an approximation of fair value.

Note 7 Definitions

Operational margin:	Operating income as a percentage of net sales
Solidity:	Adjusted equity as a percentage of total assets
Earnings per share:	Profit after tax divided by the numbers of shares
Dividends per share:	Dividend divided by the numbers of shares

Appendix 1 Accounting policies

Consolidation

The consolidated financial statements include Trig Social Media AB (publ.) and those companies over which the Parent Company directly or indirectly has a controlling influence (subsidiaries).

Subsidiaries are all entities (including structure entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

In assessing whether control exists, shareholder agreements and potential voting rights that are currently exercisable or convertible are taken into account. Control exists in the normal case when the parent company directly or indirectly owns shares representing more than 50% of the votes.

Subsidiaries included in the consolidated financial statements from the acquisition date and are excluded from the consolidated financial statements from the date on which control ceases.

Accounting policies of subsidiaries have been adjusted where necessary to conform to the Group's accounting policies.

All intercompany transactions, balances and unrealized gains and losses related to intercompany transactions have been eliminated in preparing the consolidated financial statements.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing performance of the operating segments. Group Management represents TSM's chief operating decision making body.

Transfer pricing between segments are made on market terms.

The Group presents no segment information because the entire group is defined as a segment.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services supplied, stated net of discounts, returns and value added taxes. The group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the group's activities, as described below.

Revenue from commission income

The Group has revenue from commission. The revenue from this commission recognizes when the amount of this revenue can be reliably measured, and this normally occurs 60-90 days after the customer has made their purchase in the shops that are connected to trig.com.

Revenue from advertising

The Group will have revenue from advertising. The revenue from this advertising recognizes when the amount of this revenue can be reliably measured, and this normally occurs when the advertisement is published on trig.com.

Interest income

Interest income is recognized on a time proportion basis using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future receipts and payments during the fixed interest equal to the carrying value of the receivable.

Employee Benefits

Employee benefits in the form of salaries, paid vacation, paid sick leave, etc. and pensions are recognized as earned. Pensions and other post-employment benefits are classified as defined contribution or defined benefit plan.

Defined contribution plans

For defined contribution plans, the Company pays fixed contributions into a separate independent legal entity and has no obligation to pay further contributions. The Group's income is charged as the benefits are earned, which normally coincides with the time when premiums are paid.

Defined benefit plans

The Group currently has recently started the work to introduce defined benefit plans or other pension plans for any its employees. The Group aims to have implemented such before the end of 2014.

Termination benefits

Termination benefits are payable when employment is terminated before retirement age or when an employee accepts voluntary redundancy in exchange for a replacement. The Group recognizes termination benefits when it is obliged to terminate the employees according to a detailed formal plan without possibility of withdrawal or when a resignation offer made to encourage voluntary redundancy accepted by the person who received the offer. Benefits falling due more than 12 months after the balance sheet date are discounted to present value if they are significant.

Borrowing Costs

Borrowing costs are recognized in income in the period incurred.

Taxes

The tax expense represents the sum of current tax and deferred tax.

Current tax

Current tax is calculated on the taxable profit for the period. Taxable profit differs from the reported results in the income statement when it is adjusted for non-taxable income and non-deductible expenses as well as income and expenses that are taxable or deductible in other periods. The Group's current tax is calculated using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the tax bases used in the computation of taxable profit. Deferred tax is accounted for under the so-called liability method. Deferred tax liabilities are recognized for practically all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that can be realized against future taxable income. Deferred tax liabilities and assets are not recognized if the temporary difference is attributable to goodwill or if it arises from a transaction which constitutes the initial recognition of an asset or liability (other than a business combination), and who, at the time of the transaction affects neither accounting nor taxable profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where the Group can control the reversal of the temporary differences and it is probable that one will not reverse in the foreseeable future. The deferred tax assets relating to deductible temporary differences associated with such investments are only recognized to the extent that it is probable that the amount can be utilized against future taxable income and it is likely that such exploitation will occur in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to offset, in whole or in part, against the deferred tax asset.

Deferred tax is calculated at the tax rates expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same authority and the Group intends to settle the tax on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in the income statement, except when the tax relates to items recognized in other comprehensive income or directly in equity. In such cases, the tax is also recognized in other comprehensive income or directly in equity. At current and deferred tax arising in accounting for business combinations, the tax effect is recognized at acquisition cost calculation.

Intangible assets

Intangible assets are stated at cost less accumulated depreciation and impairment losses.

The cost comprises the purchase price. Subsequent costs are included only in the asset or recognized as a separate asset when it is probable that future economic benefits attributable to the item will flow to the Group and the cost of the same can be measured reliably.

Depreciation expense so the asset value, less estimated residual value at end of useful life, are depreciated over their estimated useful life which is estimated at:

- License and intellectual property rights 10 year

The estimated useful lives, residual values and depreciation methods are reviewed at least at each financial year, the effect of any changes in estimates accounted for prospectively.

The carrying amount of a intangible asset is removed from the statement of financial position at retirement or disposal or when no future economic benefits are expected from its use or disposal / sale of the asset. The gain or loss arising on the disposal or sale of the asset, is the difference between any net income on disposal and its carrying amount, and are recognized in earnings in the period when the asset is removed from the statement of financial position.

Impairment of intangible assets

At each balance sheet analyzes the Group reviews the carrying values of intangible assets to determine whether there is any indication that those assets have been impaired. If so, the assets recoverable amount to determine the value of any impairment. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In calculating the fair value of discounted estimated future cash flows to present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks associated with the asset.

If the recoverable amount of an asset (or cash-generating unit) is set at a value lower than the carrying amount, the carrying amount of the asset (or cash- generating unit) is reduced to its recoverable amount. An impairment loss is to be expensed in the income statement.

If an impairment loss is subsequently reversed, the asset (cash-generating unit) is increased to the revalued recoverable amount the increased carrying amount may not exceed the carrying amount that would be determined if no impairment of the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in income.

Leases

All leases are classified as operating leases, as the Group currently has no financial leases. Lease payments under operating leases are expensed on a straight-line basis over the lease term unless another systematic basis is more representative user's benefit over time.

Financial instruments

A financial asset or financial liability is recognized in the balance sheet when the Company becomes party to the contractual terms. A financial asset or part of a financial asset is derecognized when the rights are realized, expire or the company loses control over it. A financial liability or a part of a financial liability is derecognized when the obligation specified in the contract is discharged or otherwise extinguished.

At each reporting date the Company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired because of past events. Examples of such events are significantly deteriorated financial position of the defendant or non-payment of past due amounts. Financial assets and financial liabilities as at the subsequent statements are measured at fair value through profit or loss are recognized at initial recognition at fair value plus or minus transaction costs. Financial assets and financial liabilities as at the subsequent recognition at fair value through profit or loss are recognized at initial recognition at fair value. In the subsequent recognition, financial instruments at amortized cost or fair value depending on the initial classification under IAS 39.

Upon initial recognition, classified a financial asset or a financial liability in one of the following categories:

Financial assets

- Fair value through profit or loss
- Loans and receivables
- Investments held to maturity
- Financial assets available for sale

Financial liabilities

- Fair value through profit or loss
- Other financial liabilities at amortized cost

TSM only holds financial assets in the category "loans and receivables" and financial liabilities in the category "Other financial liabilities at amortized cost".

Financial instruments fair value

For all financial assets and liabilities, value is assessed to be a good approximation of fair value unless otherwise indicated in the following notes.

Amortized cost

Amortized cost is the amount at which the asset or liability is initially recognized minus principal

payments, plus or minus the cumulative amortization using the effective interest method of the initial difference between the received / paid amount and the amount to pay / receive at maturity and less impairment.

The effective interest rate is the rate at discounting all expected future cash flows over the expected term results in the initial carrying value of the financial asset or financial liability.

Cash and cash equivalents

Cash and cash equivalents include cash and bank deposits and other short-term highly liquid investments that are readily convertible to cash and are subject to an insignificant risk of changes in value. To be classified as liquid assets, the duration does not exceed three months from the date of acquisition. Cash assets and cash equivalents are classified as "Loans and receivables", which are measured at amortized cost. Because the bank balances are payable on demand the amortized cost of a nominal amount. Short-term investments are classified as "Held for trading " and are measured at fair value with changes in value recognized in the income statement.

Accounts receivable

Accounts receivable are classified as "Loans and receivables", which are measured at amortized cost. Trade accounts receivable expected duration is short, though, why accounting is done at nominal amount without discounting. Deductions are made for receivables assessed as impaired. Impairment of trade receivables are recorded in operating expenses.

Accounts payable

Accounts payable are classified as "Other financial liabilities" which are measured at amortized cost. Accounts payable expected term is short, though, so liabilities are recognized at nominal amount without discounting.

Liabilities to credit institutions and other borrowings

Interest-bearing bank loans, overdrafts and other loans are categorized as "Other financial liabilities" and are measured at amortized cost. Any differences between the received loan proceeds (net of transaction costs) and the loan repayment amount is accrued over the life of the loan using the effective interest method and recognized in the income statement as interest expense.

Foreign currency

Items included in the financial statements of the entities in the Group is recognized in the currency of the primary economic environment in which the entity primarily operates (its functional currency). In the consolidated financial statements, all amounts are translated to Euro, which is the Company's accounting currency.

Foreign currency transactions are translated into the respective entity to the entity's functional currency at the exchange rates prevailing on the transaction date. At each balance sheet date, monetary items denominated in foreign currencies are translated at the closing rate. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when

the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not about.

Exchange differences are recognized in the income statement in the period in which they arise, except for transactions as hedges that qualify for hedge accounting of cash flow or net investment, where gains and losses are recognized in other comprehensive income.

The results and financial position of group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follow

- a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- b) Income and expenses for each income statement are translated at average exchange rates; and
- c) All resulting exchange differences are recognized in other comprehensive income

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

Provisions

Provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made.

The amount allocated represents the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the expenditures expected to be required to settle the obligation, the carrying value equal to the present value of those payments.

Warranties

The Group has no guaranteed obligations

Accounting Principles for the Parent Company

The parent company applies the Swedish Annual Accounts Act and the Financial Reporting Board's recommendation RFR 2 "Accounting for Legal Entities". Application of RFR 2, means that the parent company, as far as possible, applies IFRS as adopted by EU but with limitations and additions stated in the Annual Accounts Act and with considerations to the relationship between accounting and taxation. The differences between the Parent Company and the Group are described below:

Classification and presentation

The parent company's income statement and balance sheet are presented according to the requirements in the Annual Accounts Act. Difference between the consolidated accounts presented according to IAS 1 "Presentation of financial statements" and the parent company accounts are mainly terminology differences relating to financial income and expenses & equity.

Subsidiaries

Investments in subsidiaries are accounted for at cost in the parent company's financial statements. Acquisition-related costs for the subsidiaries, which are expensed in the consolidated financial statements, included as part of the cost of investments in subsidiaries. Dividends are recognized as revenue to the extent they relate to profits generated after the acquisition. Dividends in excess of such profits are seen as a recovery of investment and thus reduce the carrying value of investments in subsidiaries.

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