# Twelve months report July 2013 – June 2014 (Q4)

# Trig Social Media AB (publ)

# Corporate Identity Number 556788-2807

**www.trig.com**

**HIGHLIGHTS FOR THE TREE MONTHS PERIOD 1 APRIL - 30 JUNE 2014**

- Net sales during the period totaled Euro 54,052 (46,481)

- Operating losses were Euro -547,366 (-216,932)for the period

- The total number of employees at the end of the period was 15 (11). In addition to that there were 8 consultants hired mainly for technical development and marketing activities. This is an significant increase in comparison to the last quarter and shows the increase in activities within the Group

- The messenger service HeyHey was launched on 22 May 2014

- The further development of TrigMoney has been speeded up and has been launched. TrigMoney is now a completely new service which is based on completely new platform

- The special rights issue was started and closed shortly after the end of the period. The special right issue was fully subscribed and provided the company with approx. 2,5 mEUR in equity whereof approx. 1,5 mEUR in cash and 1,0 mEUR as set off of debts. At the time for the preparation of this report the company had cash and cash like reserves amounting to Euro 1,2 million.

- The prospectus filed on 11th of June 2014 with the Swedish Financial Supervisory Authority, SFSE, is expected to be approved shortly after the release of this report. With the approved prospectus the listing application with the Frankfurt Stock Exchange can be completed and the shares of Trig Social Media AB listed on the regulated market segment the General Standard.

- Trig has signed several important agreements with co-operation partners who will help to market primarily TrigMoney but also so-called white label solutions provided by Trig to different customers who will use the cash back function to help promote their services.

- Trig is currently in negotiations with a potential US partner that, if completed successfully, will open up the US market for a major launch of TrigMoney but also Trig's other services within the US.

- Trig has 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 will be released in mid-October under the brand TrigMoments.

- After the end of the reporting date the Employment Share Option Program ("ESOP") earlier envisaged has been initialized and a total of 32 500 000 shares been made available for distribution to personnel and consultants. No options have however yet been allocated. The ESOP will be completed in connection with a completion of the listing process in Germany.

**CEO´s comments**

During the recently ended three months period Trig Social Media AB (publ.) has taken enormous steps in becoming a company ready for large scale activities within the social media segments.

The business model used by Trig is strengthened by the introduction of TrigMoney, the all new version of the cash back scanner. Trig is now truly independent of third party suppliers.

The recent quarter has been truly challenging and full of hard work for everyone involved. There are currently a lot of projects being run in Trig where the release of the new cash back scanner TrigMoney has been focused upon but that also has seen the release of the messenger app HeyHey that was released in May for both Android and Iphone, the continued work on TrigMusic as well as much more.

Furthermore the acquisition of Momentik that was completed shortly before the release of this report is adding an exciting element to existing portofolio of web based services. The management has high expectations on the service, which will be released under the name TrigMoments, and the size of its expected user base.

Simultaneously the management has speeded up the process for the intended listing of the shares of Trig Social Media AB (publ.) on the Frankfurt Stock Exchange. The management is expecting that the prospectus will be approved by the Swedish FSA within short whereafter the listing of the shares on the Frankfurt Stock Exchange will follow.

The special rights issue that was started in the end of June and finalized in July 2014. It was fully subscribed and the company has in the process received approx. 2,5 mEUR in equity whereof approx.1,5 mEUR in cash and the rest, 1 mEUR, by diminishing the burden of debt giving the company a solid position for the coming year.

Through the rights issue and the disposal of shares by Trig Media Group, the company now has approx. 450 shareholders.

The next 12 months are expected to see a rapid increase in the number of users of TrigMoney that in its turn is likely to boost the number of users of trig.com, HeyHey and other services to be introduced by Trig within short. The income for the group is mainly the income that is generated by the use of TrigMoney but also from advertising on the other services provided.

During the period we have seen an increase in the numbers of employees and consultants hired by us. We are more and more becoming the aimed for team with specialists with unique competences especially in the technical field but also within the business administration which is equally important when the company now is moving closer to the goal to become a listed company.

Nacka, 25th of August 2014

Anthony Norman
CEO

**Key ratios for the Group**

| | April – June 2014 | Jan - June 2014 | July 13 – June 14 | April – June 2013 (TE) | Jan – June 2013 (TE) | July 12 – June 13 (TE) |
|---|---|---|---|---|---|---|
| Euro (€) | | | | | | |
| | | | | | | |
| Net sales | 54 052 | 100 533 | 118 585 | 0 | 0 | 0 |
| Operating profit/loss | -547 366 | -764 298 | -1 152 754 | 0 | 0 | 0 |
| Operational margin | Neg. | Neg. | Neg. | 0 | 0 | 0 |
| Balance total | 4 316 486 | 4 316 486 | 4 316 486 | 380 467 | 380 467 | 380 467 |
| Solidity | 70 % | 70 % | 70 % | 9 % | 9 % | 9 % |
| Investment non current assets | 11 761 | 6 416 631 | 6 416 631 | 0 | 0 | 0 |
| Number of shares at the end of the period | 325 000 000 | 325 000  000 | 325 000 00 | 275 000 | 275 000 | 275 000 |
| Earnings per share | -0,002 | -0,003 | -0,010 | 0 | 0 | 0 |
| Dividends per share | N/A | N/A | N/A | N/A | N/A | N/A |
| Number of Employees | 15 | 15 | 15 | 0 | 0 | 0 |

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.

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 will historical figures be used for comparison figures. More information about this acquisition is presented in Note 1.1.

**Business operations and organization**

Trig Social Media AB (publ.) has one 100%-owned subsidiary in the form of Trig Entertainment AB, Swedish Corporate Identity Number 556781-3729, founded on 22 February 2009 and registered with the Swedish Companies Registration Office on 23 April 2009. 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 fourth 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, except for the CEO who is employed by TSM. At the end of the previous three months period there were 11 employees. At the end of this period the number of employees has reached 15 and in addition to that there are currently 8 consultants engaged on a full time basis.

The Group develops, manages and operates an international social media platform under the brand, trig.com. Coupled to the platform is a partially patented applied income generator with the trade name, TrigMoney. TrigMoney has been developed by Trig Social Media´s main owner, Trig Media Group

AB (publ.). All associated intellectual property rights have been transferred to Trig Social Media. 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 TrigMoney 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 1,000 shops are connected in 16 countries.

Trig Social Media AB (publ.) will introduce new products and services on an ongoing basis. During the period the messenger service HeyHey was launched and several interesting services are to be released within short. The web based photo & video sharing site Momentik was acquired shortly before the release of this report and will be redesigned and further applications added and then released under the brand name TrigMoments.

In addition to promoting TrigMoney 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. Several such agreements have been signed during the period with various partners. Trig is currently in negotiations with a multimillion membership organization in the USA and Trig believes that these will be finalized within short.

**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. Trig Social Media also provides various other services such as the messenger service HeyHey and TrigMoney. 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 financials 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. The strategy of The Group is to adopt a selective approach to tendering in order to reduce unprofitable projects. When selecting suitable projects, The Group prefers projects whose risks are identified, and thus manageable and calculable but also projects that are likely to have a high risk – reward ratio.

**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 of 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 so.

**Significant event during the period July 2013 to June 2014**

During the period TSM has acquired:

- Trig Entertainment AB
- Intellectual property rights – and other rights associated with the trig.com platform

The acquisitions have been made from the Parent Company, Trig Media Group AB at the amount 3 755 921 Euro regarding IPR and at the amount 2 648 949 Euro regarding Trig Entertainment AB. The transactions regarding Trig Entertainment AB have been deemed to be regarded as transactions under common control and have been dealt with accordingly in the preparation of the financial statements for the Group (consolidated financial statements). These have been prepared in accordance with IFRS as adopted by the EU.

During the end of the accounting period, TSM filed an application with Swedish Financial Supervisory Authorities for listing of the Company to have a prospectus for listing purposes approved. Upon approval of the prospectus, TSM will obtain a so-called Euro Pass which TSM will use for an application for the listing of its shares on the Frankfurt Stock Exchange's regulated market, the General Standard segment. If successful in the process the shares in TSM are expected to be listed during the first weeks of September. For this purpose TSM has engaged Renell Wertpapierhandelsbank AG in Frankfurt, Germany, to act as it's so called Listing agent in relation to the filing of the application to list the shares on the Frankfurt Stock Exchange.

**Significant events after the period**

TSM has in addition to the above currently closed a special rights issue directed towards its Parent Company´s shareholders which was fully subscribed and contributed to TSM's equity with approx. 2,5 mEUR whereof approx. 1,5 mEUR in cash and 1,0 mEUR in a set off of debts. The Board of Directors is of the opinion that the funds being raised through the rights issue are sufficient for the operations of the Group..

After the end of the reporting period TSM has initiated the launch of the Employment Share Option Program ("ESOP"). Under the ESOP 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 plan is to finalize the work immediately after the listing of the company's shares has taken place. The ESOP will, fully exercised, cover a maximum of 32 500 000 shares.

Trig has 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 will be released in mid-October under the brand TrigMoments.

**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 June 2014 but is expected to do so in the third period of 2014 due to the release of the all new TrigMoney 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. 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 out paying from the connected store 60-90 days after the transaction has been made.

**Profit/loss**

The twelve month report  show a loss depending on the fact that the Group has had significant costs with the development and deployment of trig.com, TrigMoney, HeyHey and other services under development.

**Cash Flow**

Cash flow from operating activities during the period July 2013 to June 2014 was negative due to the fact that the Group has had significant costs with the development and deployment of trig.com, TrigMoney and other services which all have been financed through loans from TMG.

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).

**Financial position and liquidity**

As per 30 June 2014 the Group had cash reserves amounting to 7,310 Euro.

After the reporting period TSM has initiated and finalized through Mangold Fondkommission AB, a special rights issue directed towards its Parent Company´s shareholders through which TSM has been provided with Euro 2.5 million in additional equity and liquidity The Board of Directors is of the opinion that this, combined with income from sales, 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 that company had cash and cash like reserves amounting to Euro 1,2 million.

**Investment, disposal and acquisition – related party transactions**

Trig Social Media AB (publ.) has 28 March 2014 acquired Trig Entertainment AB together with intellectual property rights from its Parent Company. The amount was 6,4 million Euros. During the period April to June the group has invest 11,164 Euro in tangible 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 15 employees plus 8 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 Option Program ("ESOP"). Under the ESOP 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 plan is to finalize the work immediately after the listing of the company's shares has taken place. The ESOP will, fully exercised, cover a maximum of 32 500 000 shares.

**Parent Company**

Trig Social Media AB (publ.)´s main owner is Trig Media Group AB (publ), currently controlling approx. 74,8% 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 has been working in the US and Europe for more than 35 years.

**Trig – Share**

At the end of the period, there were 325,000,000 shares issued with a quote value of Euro 0.0002. After the period there has been an additional 38 749 998 shares issued under the Employment Share option program, ESOP, and the Special rights issue, after which 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 has approx. 450 shareholders.

The major shareholders of the company are the following;

| MAJOR SHAREHOLDERS OF TRIG SOCIAL MEDIA AB (PUBL) | | | |
|---|---|---|---|
| 1 | Trig Media Group AB | 272 058 086 | 74,79% |
| 2 | Waylander Management Ltd | 18 100 000 | 4,98% |
| 3 | Nordic Company Ltd | 17 500 000 | 4,81% |
| 4 | Social Media Investments Ltd | 17 450 000 | 4,80% |
| 5 | Southern Company Ltd | 15 000 000 | 4,12% |
| 6 | Castleview Support Services Ltd | 14 900 000 | 4,10% |
| 7 | Others (442 shareholders) | 8 741 912 | 2,40% |
| | | **363 749 998** | **100,00%** |

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 June 2014 held 100 % of the shares. Due to the shares issues conducted after the end of the reporting period combined with the placement of shares by Trig Media Group AB in order to fulfil the so called free float requirements of the

Frankfurt Stock Exchange, Trig Media Group AB currently holds approx. 74,8% 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.

**Financial calendar**

- The interim report (Q5) for the period July 2013 to September 2014 will be presented on 29 November 2014.
- 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 been reviewed by the Group’s auditor.

Nacka, Sweden 25th of August 2014

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

| **Peter Kusendal** | **Anthony Norman** | **Lars Hellewig** |
|---|---|---|
| Chairman of the board | CEO | Member |

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This report has been reviewed by the Group's auditor.

Nacka, Sweden 25th of August 2014

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

| | | |
|---|---|---|
| **Peter Kusendal** | **Anthony Norman** | **Lars Hellewig** |
| Chairman of the board | CEO | Member |

## Consolidated income statement

| | April – June 2014 | Jan – June 2014 | July 13 – June 14 | April – June 2013 | Jan – June 2013 | July 12 - June 13 |
|---|---|---|---|---|---|---|
| **CONSOLIDATED INCOME STATEMENT** | | | | | | |
| Amounts in Euro (€) | | | | | | |
| | | | | | | |
| Net sales | 54 052 | 100 533 | 118 585 | 0 | 0 | 0 |
| **Gross operating income** | **54 052** | **100 533** | **118 585** | **0** | **0** | **0** |
| Other external costs | -358 218 | -507 419 | -787 557 | 0 | 0 | 0 |
| Personell costs | -148 360 | -252 607 | -333 339 | 0 | 0 | 0 |
| Depreciation and write down of tangible and intangible assets | -94 840 | -104 805 | -150 443 | 0 | 0 | 0 |
| **Operating profit/loss** | **-547 366** | **-764 298** | **-1 152 754** | **0** | **0** | **0** |
| Financial items, net | 531 | -5 | -242 | 0 | 0 | 0 |
| **Profit/loss before income tax** | **-546 835** | **-764 303** | **-1 152 996** | **0** | **0** | **0** |
| Income tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Profit/loss for the period** | **-546 835** | **-764 303** | **-1 152 996** | **0** | **0** | **0** |
| | | | | | | |
| Attributable to parent company shareholders | 100% | 100% | 100% | 100% | 100% | 100% |
| Average number of shares | 325 000 000 | 216 667 000 | 108 334 000 | 275 000 | 275 000 | 275 000 |
| Earnings per share, before and after dilution | -0,002 | -0,003 | -0,010 | 0 | 0 | 0 |

## Consolidated statement of comprehensive income

| | April – June 2014 | Jan – June 2014 | July 13 – June 14 | April – June 2013 | Jan – June 2013 | July 12 – June 13 |
|---|---|---|---|---|---|---|
| **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME** | | | | | | |
| Amounts in Euro (€) | | | | | | |
| | | | | | | |
| Profit/loss for the period | -546 835 | -764 303 | -1 152 996 | 0 | 0 | 0 |
| **Items that may be subsequently reclassified to profit or loss** | | | | | | |
| **Other comprehensive income** translation difference subsidiaries | 2 808 | 2 808 | 2 808 | 0 | 0 | 0 |
| **Total comprehensive income** | **-544 027** | **-761 495** | **-1 150 188** | **0** | **0** | **0** |
| Attributable to parent company shareholders | 100% | 100% | 100% | 100% | 100% | 100% |

## Consolidated Balance Sheet

| | June 30 2014 | June 30 2013 |
|---|---|---|
| **CONSOLIDATED BALANCE SHEET** | | |
| Amounts in Euro (€) | | |
| **Assets** | | |
| Intangible assets | 3 739 889 | 380 467 |
| Tangible assets | 11 164 | 0 |
| **Total non-current assets** | **3 751 053** | **380 467** |
| | | |
| Short term receivables | 558 123 | 0 |
| Cash and bank balances | 7 310 | 0 |
| **Total current Assets** | **565 433** | **0** |
| | | |
| **Total Assets** | **4 316 486** | **380 467** |
| | | |
| **Equity and liabilities** | | |
| | | |
| **Equity attributable to owners of the parent** | | |
| Share capital | 65 000 | 32 164 |
| Additional paid in capital | 7 070 114 | 0 |
| Retained earnings | -4 099 502 | -509 |
| **Total Equity** | **3 035 612** | **31 655** |
| | | |
| **Long term liabilities** | **0** | **0** |
| | | |
| Current liabilities | 1 139 702 | 348 813 |
| Accrued expenses and deferred income | 141 172 | 0 |
| **Total current liabilities** | **1 280 874** | **348 813** |
| | | |
| **Total Equity and liabilities** | **4 316 486** | **380 467** |
| | | |

## Consolidated cash flow statement

| | April – June 2014 | Jan – June 2014 | July 13 – June 14 | April – June 2013 | Jan – June 2013 | July 12 – June 13 |
|---|---|---|---|---|---|---|
| | | | | | | |
| **CONSOLIDATED CASH FLOW STATEMENT** | | | | | | |
| Amounts in Euro (€) | | | | | | |
| | | | | | | |
| Operating profit/loss | -547 366 | -764 298 | -1 152 754 | 0 | 0 | 0 |
| Adjustment for non-cash items | 94 840 | 104 805 | 150 443 | 0 | 0 | 0 |
| Interest paid | -703 | -1 239 | -1 476 | 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** | **-451 995** | **-659 498** | **-1 002 553** | **0** | **0** | **0** |
| | | | | | | |
| Changes in receivables | -116 608 | -479 852 | -499 925 | 0 | 0 | 0 |
| Changes in liabilities | 251 069 | 439 177 | 802 305 | 0 | 0 | 0 |
| **Cash flow after working capital changes** | **-317 534** | **-700 173** | **-700 173** | **0** | **0** | **0** |
| | | | | | | |
| Acquisition intangible assets | 0 | -3 755 921 | -3 755 921 | 0 | 0 | 0 |
| Acquisition tangible assets | -11 761 | -11 761 | -11 761 | 0 | 0 | 0 |
| Acquisition subsidiaries | 0 | -2 648 949 | -2 648 949 | 0 | 0 | 0 |
| **Cash flow from investment activities** | **-11 761** | **-6 416 631** | **-6 416 631** | 0 | 0 | 0 |
| | | | | | | |
| Shareholders contributions | 243 605 | 7 042 114 | 7 042 114 | 0 | 0 | 0 |
| New share issue | 28 000 | 82 000 | 82 000 | 0 | 0 | 0 |
| **Cash flow from financing activities** | **271 605** | **7 124 114** | **7 124 114** | **0** | **0** | **0** |
| | | | | | | |
| *Cash flow of the year* | -57 690 | 7 310 | 7 310 | 0 | 0 | 0 |
| Cash at the beginning of the year | 65 000 | 0 | 0 | 0 | 0 | 0 |
| **Cash at the end of the year** | **7 310** | **7 310** | **7 310** | **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 | 54 000 | 0 | 54 000 |
| Effect acquisition | -21 164 | -3 337 498 | -3 358 662 |
| Total comprehensive income for the period | 0 | -761 495 | -761 495 |
| New share issue, not yet registered | | 28 000 | 28 000 |
| Shareholders contributions | 0 | 7 042 114 | 7 042 114 |
| **Closing balance 30 June 2014** | **65 000** | **2 970 612** | **3 035 612** |

## Parent Company Income Statement

| | April – June 2014 | Jan – June 2014 | July 13 – June 14 | April – June 2013 | Jan – June 2013 | July 12 – June 13 |
|---|---|---|---|---|---|---|
| **INCOME STATEMENT** | | | | | | |
| Amounts in Euro (€) | | | | | | |
| | | | | | | |
| Net sales | 0 | 0 | 0 | 0 | 0 | 0 |
| **Gross operating income** | **0** | **0** | 0 | 0 | 0 | 0 |
| Other external costs | -150 607 | -152 342 | -152 342 | 0 | 0 | 0 |
| Personnel costs | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation and write down of tangible and intangible assets | -93 657 | -93 657 | -93 657 | 0 | 0 | 0 |
| **Operating profit/loss** | **-244 264** | **-245 999** | **-245 999** | **0** | **0** | **0** |
| Financial items, net | 1 234 | 1 234 | 1 234 | 0 | 0 | 0 |
| **Profit before income tax** | **-243 030** | **-244 764** | **-244 764** | **0** | **0** | **0** |
| Income tax | 0 | 0 | 0 | 0 | 0 | 0 |
| **Profit/loss for the period** | **-243 030** | **-244 764** | **-244 764** | **0** | **0** | **0** |
| | | | | | | |
| Average number of shares | 325 000 000 | 216 667 000 | 108 334 000 | 0 | 0 | 0 |

## Parent Company statement of comprehensive income

| | April – June 2014 | January – June 2014 | July 13 – June 14 | April – June 2013 | Jan – June 2013 | July 12 – June 13 |
|---|---|---|---|---|---|---|
| **STATEMENT OF COMPREHENSIVE INCOME** | | | | | | |
| Amounts in Euro (€) | | | | | | |
| | | | | | | |
| Income for the period | -243 030 | -244 764 | -244 764 | 0 | 0 | 0 |
| **Items that may be subsequently reclassified to profit or loss** | | | | | | |
| **Other comprehensive income** translation difference subsidiaries | **2 057** | **2 057** | **2 057** | **0** | **0** | **0** |
| Total comprehensive income | -240 973 | -242 707 | -242 707 | 0 | 0 | 0 |

## Parent Company Balance Sheet

| | June 30 2014 | June 30 2013 |
|---|---|---|
| **BALANCE SHEET** | | |
| Amounts in Euro (€) | | |
| **Assets** | | |
| Intangible assets | 3 575 157 | 0 |
| Tangible assets | 11 164 | 0 |
| Financial assets | 3 453 397 | 0 |
| **Total non-current assets** | **7 039 718** | 0 |
| | | |
| Short term receivables | 15 467 | 11 000 |
| Inter-company transactions | 548 116 | 0 |
| Cash and bank balances | 7 251 | 0 |
| **Total current Assets** | **570 834** | 11 000 |
| | | |
| **Total Assets** | **7 610 552** | **11 000** |
| | | |
| **Equity and liabilities** | | |
| | | |
| **Equity** | | |
| Restricted equity | | |
| Share capital | 65 000 | 11 000 |
| New share issue in progress | 14 | 0 |
| Non-restricted equity | | |
| New share issue in progress | 27 986 | 0 |
| Additional paid in capital | 6 658 159 | 0 |
| Retained earnings | -242 707 | 0 |
| **Total Equity** | **6 508 452** | **11 000** |
| | | |
| **Long term liabilities** | **0** | **0** |
| | | |
| Current liabilities | 148 091 | 0 |
| Inter-company transactions | 954 009 | **0** |
| **Total current liabilities** | **1 102 100** | **0** |
| | | |
| **Total Equity and liabilities** | **7 610 552** | **11 000** |

## Parent Company cash flow statement

| | April – June 2014 | Jan – June 2014 | July 13 – June 14 | April – June 2013 | Jan – June 2013 | July 12 – March 13 |
|---|---|---|---|---|---|---|
| | | | | | | |
| **CASH FLOW STATEMENT** | | | | | | |
| Amounts in Euro (€) | | | | | | |
| | | | | | | |
| Operating profit/loss | -244 264 | -245 999 | -245 999 | 0 | 0 | 0 |
| Adjustment for non-cash items | 93 657 | 93 657 | 93 657 | 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** | **-149 373** | **-151 108** | **-151 108** | **0** | **0** | **0** |
| | | | | | | |
| Changes in receivables | -15 120 | -552 583 | -552 583 | 0 | 0 | 0 |
| Changes in liabilities | 308 967 | 849 481 | 849 481 | 0 | 0 | 0 |
| **Cash flow after working capital changes** | **144 474** | **145 790** | **145 790** | **0** | **0** | **0** |
| | | | | | | |
| Acquisition intangible assets | 0 | -3 755 921 | -3 755 921 | 0 | 0 | 0 |
| Acquisition tangible assets | -11 761 | -11 761 | -11 761 | 0 | 0 | 0 |
| Acquisition subsidiaries | 0 | -2 648 949 | -2 648 949 | 0 | 0 | 0 |
| **Cash flow from investment activities** | **-11 761** | **-6 416 631** | **-6 416 631** | 0 | 0 | 0 |
| | | | | | | |
| Shareholders contributions | 243 605 | 6 658 159 | 6 658 159 | 0 | 0 | 0 |
| Shareholders contributions | -462 067 | -462 067 | -462 067 | 0 | 0 | 0 |
| New share issue | 28 000 | 82 000 | 82 000 | 0 | 0 | 0 |
| **Cash flow from financing activities** | **-190 462** | **6 278 092** | **6 278 092** | **0** | **0** | **0** |
| | | | | | | |
| *Cash flow of the year* | -57 749 | 7 251 | 7 251 | 0 | 0 | 0 |
| Cash at the beginning of the year | 65 000 | 0 | 0 | 0 | 0 | 0 |
| **Cash at the end of the year** | **7 251** | **7 251** | **7 251** | **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 | 54 000 | 0 | 54 000 |
| Total comprehensive income for the period | | -242 707 | -242 707 |
| New share issue, not yet registered | | 28 000 | 28 000 |
| Shareholders contributions | | 6 658 159 | 6 658 159 |
| **Closing balance 30 June 2014** | **65 000** | **6 405 217** | **6 508 452** |

## 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.

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 second interim report prepared according to IFRS (International Financial Reporting Standards). It covers the three months and twelve months ended June 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 second quarter report for 2014 is actually the fourth 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 June14 amounting to 118,585 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 only 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 second 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 will have implement 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:

<u>Financial assets</u>

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

<u>Financial liabilities</u>

- 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.

# CONTACT INFORMATION

## Trig Social Media AB (publ)


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## Report of Review of Interim Financial Information

### Introduction
We have reviewed this report for the period July 2013 to June 2014 for Trig Social Media AB (publ). The board of directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review
We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable me to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Uddevalla, 25th of August 2014

ÖhrlingsPricewaterhouseCoopers

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Mattias Celind

Authorised Public Accountant