Interim Report Q2

1 January - 30 June 2016

Stockholm IT Ventures Aktiebolag

Company reg. no. 556788-2807

trig

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MD's Comments

Dear Reader,

The first half of 2016 was very much focused on stabilizing the aftermath of lack of funding. Further consolidation and unwinding of previously initiated activities mainly dominated the agenda.

In the period post the reporting period significant improvements have been made a result of this period and the company has now come out of its most intense restructuring phase.

Anthony Norman, Managing Director
Nacka Strand, September 30 2016

Director's report

General information

Being a Swedish company listed on the Frankfurt Stock exchange since 2014 with no subsidiaries outside of Sweden during this reporting period and none in Germany, the company lies fully under the jurisdiction and reporting regulations of the Swedish finance authorities, Finansinspektionen.

The Trig group of companies

In 2016, the company had no subsidiaries or associated companies, except for a company which was acquired in 2016 but which is not yet operating. This means that the company does not need to draw up consolidated accounts.

Essential events during the period

The company's incumbent board and MD left in May 2016.

Essential events after the end of the period

The company found itself without any management until September 2016 when Dominic Berger, Philip Reid and Joao de Saldanha were appointed as a new board and Anthony Norman started as acting MD.

Shortly thereafter, the company's shares once again became available on Deutsche Boerse.

In November 2016, the company entered into a capital contribution agreement with Ixellion Technologies OÜ and they did not end up contributing promised funds.

When, with the support of the agreement with Ixellion, the company with had negotiated a voluntary scheme of arrangement and conversion of debts to shares, confidence was lost when Ixellion failed to deliver the agreed funds. This led to further work with new acquisitions during the first few months of 2017.

The company entered into an agreement to acquire Fantrac Limited AB and Akvendia AB in February 2017 and, due to the transaction, Dominic Berger and Philip Reid were replaced by Wayne Lochner and Matthew Connelly. The board also received a new addition in the form of Alberto Cuellar, and Joao de Saldanha was reappointed.

In this connection, the company changed its name to Stockholm IT Ventures AB and started reprofiling the business, and a further acquisition of Block Trade Technologies Limited took place in mid-2017 which immediately brought in a cash flow to the parent company, something which has facilitated a continued clearing of the company's balance sheet.

The board and the Managing Director guarantee that the annual report has been drawn up in accordance with the Annual Reports Act and that it gives a fair picture of the parent company's financial profit/loss and position as at 30/06/2016.

For the first half of the year 2016 (Jan. 1 2016 – Jun. 30 2016), the turnover amounted to 45.977 Euros. The net profit for the first half of the year (Jan. 1 2016 – Jun. 30 2016) amounted to 11.335 Euros.

DECLARATION OF THE BOARD OF MANAGEMENT IN ACCORDANCE WITH THE SWEDISH SECURITIES TRADING ACT AND THE SWEDISH COMMERCIAL CODE

‘‘To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial position and profit or loss of the Group, and the Group management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group. ‘’.

Nacka September 30 2016

Trig Social Media AB

Management Board

Anthony Norman

Managing Director

Philip Reid, Chairman

Joao de Saldanha, Director

Dominic Berger, Director

PROFIT AND LOSS STATEMENT	**Note**	**2016-01-01 2016-06-30**	**2015-01-01 - 2015-06-30**
Amounts in Euro (€)			
Net sales		45 977	2 598
Gross operating income		**45 977**	**2 598**
Operating expenses			
Other external costs		-34 535	-411 826
Personell costs		0	-236 081
Depreciation of tangible and intangible assets		0	- 40 778
Sum of operating expenses		*-34 535*	*-688 685*
Operating profit/loss		**11 442**	**- 686 087**
Financial items, net		- 107	-13 576
Assets write-down		0	2 097 192
Profit/loss before income tax		**11 335**	**-1 397 529**
Income tax		0	0
Profit/loss for the period		**11 335**	**-1 397 529**
Average number of shares	17	365 551 375	365 551 375

BALANCE SHEET	Note	2016-06-30	2015-06-30
Amounts in Euro (€)			
Assets			
Non-current assets			
Intangible assets		938 771	986 633
Tangible assets		0	9 237
Financial assets		0	6 794 747
Total non-current assets		**938 771**	**7 790 617**
Current assets			
Short term receivables		141 332	129 582
Receivables from subsidiaries		0	0
Tax receivables		0	73 797
Cash and bank balances		10 538	5 406
Total current Assets		**151 870**	**100 520**
Total assets		**1 090 641**	**7 999 402**
Equity and liabilities			
Equity			
Restricted equity			
Share capital (365 551 375 shares)		73 110	73 110
Unrestricted equity			
Additional paid in capital		-28 409	10 623 323
Retained earnings			-8 274 619
Profit/loss for the period		11 335	1 397 529
Total Equity		**56 036**	**3 818 983**
Long term liabilities			
Non-current liabilities		0	420 836
Total long term liabilities		**0**	**420 836**
Current liabilities			
Current liabilities		582 336	502 772
Liabilities to related parties		452 269	3 116 971
Accrued expenses and deferred income		0	139 840
Total current liabilities		**1 034 605**	**3 759 583**
Total Equity and liabilities		**1 090 641**	**7 999 402**

Notes

Note 1 General information

The Group previously consisted of the parent company Trig Social Media AB (TSM) and its subsidiaries Trig Entertainment AB (TME), Trig Royalty Ltd, Trig Entertainment Asia Pty Ltd and Trig Spain SL. There were no Group conditions during the 2016 financial year. Stockholm IT Ventures AB is a public limited company registered and with its headquarters in Sweden. The address of the head office is Vikdalsgränd 10B, Box 1268, 131 28 Nacka Strand. The company's business is to develop, manage and run an international social media platform under the trademark of trig.com. Linked to the platform is a partly patent pending income generator with the brand name Trig Money. In 2014, the board decided to apply for listing on the Frankfurt Stock Exchange's regulated market. The listing took place on 18 September 2014.
Unless otherwise stated, all figures are stated in Euros as the reporting currency.

The company applies the Annual Reports Act and the Swedish Financial Reporting Board 2, Reporting for legal persons. The application of the Swedish Financial Reporting Board 2 means that the company as far as possible applies all EU-approved IFRS as part of the Annual Reports Act and the Companies Act and with regard to the connection between reporting and taxation.

1.1 Basis for establishment and accounting principles

In April 2014, a decision was made at an extraordinary meeting to extend the company's financial year by 6 months, which means that the previous financial year is 18 months long and covers the period from 1 July 2013 to 31 December 2014. The following financial year, which started on 1 January - 31 December 2015 and the current financial year will be a calendar year.

Trig Social Media AB (publ.), formerly Grundstenen 126558 AB, was formed 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 11 000 Euros. On the same day when Trig Media Group AB (publ) had influence and control of what was then Trig Social Media AB (publ.), a new issue took place amounting to 54 000 Euros 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.) for 2 648 949 Euros.

From an accounting perspective, the acquisition is to be viewed as a transaction under common control.

Bearing in mind that IFRS does not deal with these types of transaction, the group has chosen an accounting principle which prepares consolidated accounts based on the historically-entered values. The method means that assets and liabilities are reported on the basis of the reported amounts of the units acquired for the highest level of common control for which the financial reports are drawn up. This also means that the group decided to include comparison figures and the current financial year's profit/loss as if the company was always a part of the same group.

The price of purchasing Trig Entertainment was 2 648 949 Euros. The net liability which was taken over at historical value was 709 713 Euros. The effect of the acquisition, 3 358 662 Euros, is reported in equity.

Setting up the financial reports in accordance with IFRS requires the use of some important accounting estimates. The management is also required to make specific assessments regarding the application of the Group's accounting principles.

Note 2 Changeover to IFRS

This report is the fifth report by the Group which was established in accordance with IFRS. The accounting principles described in note 1 have been applied while drawing up this report. The changeover to IFRS for the Group and Trig Entertainment AB has had no impact on the Group or Trig Entertainment AB's accounting, financial position, profit/loss or cash flow.

Note 3 Information on critical estimates and assumptions which have affected the financial reports

Regarding acquisitions of intangible rights, these have been acquired on the basis of the last known transaction on the market which the board assesses to be the market value. The board will regularly assess the need for any write-downs of the value. At the moment, there is no need for any write-down.

Note 4 Other information

This is the sixth report, the first of which was the annual report which the Group sets up in accordance with IFRS. The companies in the Group's last annual report applied the Annual Reports Act and The Accounting Board's general advice. The changeover to IFRS has not had any impact on the Group or on Trig Entertainment AB.

Note 5 Definitions

Operating margin:	Operating profit/loss as a percentage of the net turnover
Equity/assets ratio:	Adjusted equity as a percentage of the total capital employed
Profit per share:	Profit/loss after tax divided by the number of shares
Dividend per share:	Dividend divided by the number of shares

Appendix 1 Accounting principles

Consolidation

The consolidated accounts cover Trig Social Media AB (publ.) and the companies over which the parent company has a direct or indirect determining influence (subsidiaries). Subsidiaries are all of the companies (including structural units) over which the Group has control. The group controls a unit when the group is exposed to, or is entitled to, a variable return from its involvement in the company and has the capacity to affect this return through its power over the company. Subsidiaries are included in the consolidated accounts as of the day when the determining influence is transferred to the Group.
They are excluded from the day when the determining influence ceases.

When assessing whether there is a determining influence, the shareholders' agreement and potential votes which may be used or converted are taken into account. Control normally exists when the parent company directly or indirectly owns shares which represent more than 50 % of the votes.

Subsidiaries are included in the consolidated accounts from the time of acquisition and are excluded from the consolidated accounts from the day when the determining influence ceases.
The accounting principles for subsidiaries have been adapted where appropriate in accordance with the Group's accounting principles.

All intra-Group transactions and balance sheet items plus unrealised profits and losses regarding intra-Group transactions have been eliminated while drawing up the consolidated accounts.

For 2016, no consolidated accounts were drawn up since all companies were wound down or made bankrupt (Trig Entertainment AB)

Segment reporting

Operating segments are reported in a manner which tallies with the internal reporting which is given to the highest operating decision-maker. The highest operating decision-maker is the function which is responsible for the allocation of resources and assessment of the operating segments. The company management represents SITAB's highest operating decision-making body.

Internal pricing between segments takes place on market terms.

The Group presents no segment information since the whole Group is defined as a segment.

Reporting income

Income is reported at the actual value of that which has been received or will be received, and represents claims for services provided, net following discounts, returns and VAT. The Group reports an income when its amounts can be reliably measured, when it is likely that future economic benefits will fall to the company, and when special criteria have been satisfied for each and every one of the Group's businesses as described below.

Income from commission income

The Group has income from commission. The incomes from this commission are reported when the amount of these incomes can be reliably measured. This is normally 60-90 days after the customer has made his purchases in stores which are affiliated with trig.com.

Income from advertising

The Group will have income from advertising. The incomes from this advertising are reported when the amount of these incomes can be reliably measured. This is normally when the advert is made public on trig.com.

Interest income

Interest income is reported in the period to which it refers with the application of the effective interest method. The effective interest is the interest which makes the current value of all future incoming and outgoing payments during the fixed interest term equal to the reported value of the claim.

Remunerations to employees

Remunerations to employees in the form of salaries, paid holiday, paid sick leave, etc. and pensions are reported in line with the accrued entitlement. Pensions and other remunerations after employment has ended are classified as defined contribution or defined benefit plan.

Defined contribution plans

For, defined contribution plans, the company pays established charges to a separate, independent legal unit and has no obligation to pay additional charges. The Group's profit/loss is charged in line with the benefits being earned, which normally coincides with the time when premiums are paid.

Defined benefit plans

The Group has started work with introducing defined benefit plans or other pension plans for its employees.

Severance pay

Severance pay is paid when an employee has been dismissed before retirement age or when an employee accepts voluntary redundancy in exchange for payment. The company reports severance pay when it has to dismiss employees in accordance with a detailed formal plan with no possibility of re-employing them or when a dismissal offer to encourage voluntary redundancy is accepted by the person who received the offer. Benefits which fall due for more than 12 months after the accounting year-end are discounted to current value if they are significant.

Loan expenses

Loan expenses are reported in the profit/loss for the period in which they arise.

Taxes

The tax expense corresponds to the total of current tax and deferred tax.

Current tax

Current tax is calculated on the taxable profit/loss for the period. Taxable profit differs from the reported profit/loss in the profit/loss account when it has been adjusted for non-taxable income and non-deductible expenses as well as income and expenses which are taxable or deductible in other periods. The Group's current tax debt is calculated in accordance with the tax rates which have been determined or rejected at the accounting year-end.

Deferred tax

Deferred tax is reported in temporary differences between the reported values for assets and liabilities in the financial reports and the tax-related information is used when calculating taxable profit. Deferred tax is reported in accordance with the balance sheet method. Deferred tax debts are reported for in principle all taxable temporary differences and deferred tax claims are reported for all deductible temporary differences to the extent that it is likely that the amounts can be used against future taxable surpluses. Deferred tax debts and tax claims are not reported if the temporary difference are attributable to goodwill or if they arise from a transaction which constitutes the first reporting of an asset or a debt (other than a business acquisition), and which at the time of the transaction affect neither reported nor taxable profit/loss.

Deferred tax debts are reported for taxable temporary differences arising on shares in subsidiaries, except where the Group can control cancellation of the temporary differences and it is likely that they will not be cancelled in the foreseeable future. The deferred tax claims regarding deductible temporary differences in connection with such investments are reported only to the extent that is likely that the amount can be used against future taxable surpluses and is likely that such exploitation will occur within the foreseeable future.

The reported value of deferred tax claims is tested at the time of each accounting year-end and reduced to the extent that it is no longer likely that sufficient taxable surpluses will be available to compensate, in full or in part, the deferred prepaid tax.

Deferred tax is calculated in accordance with the tax rates which are expected to apply to the period when the asset is recovered or the debt is adjusted, based on the tax rates (and tax rules) which have been determined or rejected at the accounting year-end.

Deferred tax claims and tax debts are offset when they are attributable to income tax which is charged by the same authority and when the Group intends to adjust the tax by a net amount.

Current and deferred tax for the period

Current and deferred tax are reported as an expense or income in the profit/loss account, except when the tax refers to items which are reported in other total profit/loss or directly in equity. In such cases, the tax is also reported in other total profit/loss or directly in equity. Regarding current and deferred tax arising when reporting business acquisitions, the tax effect is reported at the calculated procurement value.

Intangible assets

Intangible assets are reported at procurement value minus accumulated depreciation and write-downs.
The expense consists of the purchase price. Additional outlays are added to the asset or are reported as a separate asset only if it is likely that future economic benefits which can be attributed to the asset will fall to the Group and the procurement value for the same can be reliably calculated.
Depreciation on the asset's value minus calculated residual value at the end of the period of use is written off over the calculated period of use, which is estimated at:

* Licences and intangible rights: 10 years
* Platforms and systems: 5 years

The calculated periods of use, the residual values and the depreciation methods are tested at the end of each financial year as a minimum; the effect of any changes to estimates is reported in the future.

The reported value of an intangible asset is removed from the report on the financial position at the time of being scrapped or sold or when no future economic benefits are expected from the use or scrappage / sale of the asset. The profit or loss arising when the asset is disposed of or sold is the difference between the net income at the time of the sale and the reported value of the asset, and is reported in the profit/loss in the period when the asset is removed from report on the financial position.

Write-down of intangible assets

At every accounting year-end, the Group analyses the entered values of intangible assets to establish whether there are indications that these assets have fallen in value. If that is the case, the assets are assessed at the recovery value to determine the value of any write-downs. If it is not possible to calculate the recovery value for an individual asset, the Group calculates the recovery value for the cash-generating unit to which the asset belongs.

The recovery value is the highest of the actual value minus sales expenses and utility value.
When calculating the actual value, the estimated future cash flow is discounted to current value using a pre-tax interest rate which reflects current market assessments of time value of money and the risks that are associated with the asset.
If the recovery value of an asset (or cash-generating unit) is set to a value which is lower than the reported value, a write-down will take place which is entered as an expense in the profit/loss account.

If a write-down is then cancelled, the asset (cash-generating unit) has increased to the revalued recovery value. The increased reported value must not exceed the reported value which would have been determined had the asset (cash-generating unit) not been written down in the previous year. A cancellation of a write-down is reported directly in the profit/loss account.

Lease contracts

All lease contracts are classed as operational lease contracts since the Group currently has no financial lease contracts. Lease charges regarding operational lease contracts are entered as expenses on a linear basis over the lease period unless another systematic manner better reflects the user's economic benefit over the period.

Financial instruments

A financial asset or financial liability is included in the balance sheet when the company becomes party to the contract terms. A financial asset or part of a financial asset is removed when the rights are realised, fall due or the company loses control of it. A financial liability or part of a financial liability is removed when the obligation in the contract is fulfilled or removed in some other way.

At each time of reporting, the company assesses whether there is objective proof that a financial asset or group of financial assets needs to be written down due to previous events.
Examples of such events are a significant deterioration in financial position for the respondent or failure to pay amounts due.

Financial assets and financial liabilities which, at subsequent statements, are valued at actual value through the profit/loss account are reported at the first reporting value plus or minus transaction expenses. Financial assets and financial liabilities which, at subsequent statements, are valued at actual value through the profit/loss account are reported at the first instance of reporting at actual value. In the subsequent transaction, the acknowledgement, financial instruments are reported at accrued procurement value or actual value, depending on the initial categorisation under IAS 39.

At the first instance of reporting, a financial asset or a financial debt is classified in one of the following categories:

<u>Financial assets</u>
* Actual value through the profit/loss account
* Loans and claims
* Investments which are held until maturity
* Financial assets which can be sold

<u>Financial liabilities</u>
* Actual value through the profit/loss account
* Other financial liabilities at accrued procurement value

TSM only holds financial assets in the category of "loans receivable and trade debtors" and financial liabilities in the category of "Other financial liabilities at accrued procurement value".

Financial instruments at actual value

Regarding all financial assets and liabilities, the value is deemed to be a good approximation of actual value unless otherwise stated in the following notes.

Accrued procurement value

Accrued procurement value is the amount at which the asset or liability is reported initially, minus instalments, plus or minus accumulated depreciation according to the original difference between the amount received or paid and the amount to pay or receive on the due date and minor write-down.

The effective interest is the interest on all expected future cash flows discounted during the expected period of the financial asset or financial liability.

Liquid assets

Liquid assets include cash and bank balances and other short-term liquid investments which can easily be converted into cash and are subject to insignificant risk of value changes. In order to be classified as liquid assets, the length must not exceed three months from the time of procurement.
Liquid assets are classified as "Loans receivable and trade debtors", which means valuation at accrued procurement value. Since bank funds are paid on demand, the accrued procurement value is a nominal amount. Short-term investments are classified as "held for trade" and are valued at actual value with value changes reported in the profit/loss account.

Trade debtors

Trade debtors are classified as “Loans receivable and trade debtors”, which means valuation at accrued procurement value. The expected duration of trade debtors is short, so they are reported at nominal amount without being discounted. Deductions are made for claims which are deemed to be uncertain. Write-downs of trade debtors are reported in operating expenses.

Trade creditors

Trade creditors are classified as “Other financial liabilities” which are valued at accrued procurement value. The expected duration of trade creditors is short, so they are reported at nominal amount without being discounted.

Debts to credit institutions and other loans

Interest-bearing bank loans, bank overdraft facilities and other loans are categorised as “other financial liabilities” and are valued at accrued procurement value. Any differences between the loan amounts received (net after transaction expenses) and the loan repayment amount are accrued for the duration of the loan with the application of the effective interest method and are reported in the profit/loss account as an interest expense.

Foreign currency

Items which are included in the financial reports for the different units in the Group are reported in the currency of the primary economic environment in which each company is principally active (functional currency). In the accounting, all amounts have been translated to Euros, which is the company’s accounting currency.

Transactions in foreign currency are translated for each unit into the company’s functional currency at the exchange rate which applies on the transaction date. At each accounting year-end, monetary items in foreign currency are translated to the accounting year-end rate. Non-monetary items which are valued at actual value in a foreign currency are translated to the exchange rate which prevailed at the time when the actual value was established. Non-monetary items which are valued at procurement value in a foreign currency are not translated to the accounting year-end rate.

Exchange rate differences are reported in the profit/loss account in the period in which they arise, with the exception of transactions such as hedge transactions which satisfy the terms for cash flow or net investments hedging, when profits and losses are reported in other total profit/loss.
Profit/loss and financial position for Group companies which have a different functional currency from the accounting currency are translated to the company’s accounting currency as follows:

a) Assets and liabilities for each reported balance sheet are translated to the accounting year-end rate at the time of this balance;
b) Income and expenses in the profit/loss accounts are translated to the average exchange rate; and
c) All exchange rate differences arising are reported in other total profit/loss

Goodwill and adjustments of actual value arising at the time of acquiring a foreign business are treated like assets and liabilities with this business and are translated to the accounting year-end rate.
Exchange rate differences arising are reported in other total profit/loss.

Allocations

Allocations are reported when the company has an existing obligation (legal or informal) as a consequence of an event that has occurred and it is likely that an outflow of resources will be required to adjust the obligation and so that a reliable estimate can be made.

Risk exposures

The company's liquidity risk may currently be assessed as average since older debts are still ongoing.

On 10 March 2015 the German Financial Supervisory authorities, BaFin, announced it is investigating the allegation of "cold calls" and possible market manipulation. At the time of writing the Group has not had any communication from BaFin besides the contact made by Trig through their German lawyers. The board is still of the opinion that no errors or wrongdoings have been committed and that the company runs no legal exposure in relation to this.

Today, the company has trade creditors which are more than 12 months old but expects to be able to adjust this shortly, which means that suppliers can be paid in accordance with the time limit.

Signatures

Stockholm, on 30 September 2016

Anthony Norman

Managing Director

Philip Reid, Chairman

Joao de Saldanha, Director

Dominic Berger, Director