



**Unaudited interim condensed financial
statements
30 June 2017**

STOCKHOLM IT VENTURES AB
Company reg. no. 556788-2807
Nacka, Sweden

Unaudited interim condensed financial statements 30 June 2017

Comments by Anthony Norman, CEO

Dear Reader,

During the first half of 2017 the Company has focused on restructuring and developing a new business model.

For the six months ended 30 June 2017, the Company's revenue and loss was EUR 3,609 and EUR 9,148, respectively.

Following the reporting period, the Company has completed developing its new business model and we are now a technology company specialising in cryptocurrencies, both in terms of mining/production and in blockchain technologies. All our mining activities use eco-friendly green energy drawn from hydro power stations in the Northern European region. Stockholm IT Ventures represents a green investment in cryptocurrencies that is focused on finding next generation technologies and trends in its space.

As part of the development of our new business model we have contracted facilities in Sweden with access to up to 40 megawatt clean, low-cost power for cryptocurrency mining, secured funding up to EUR 50 million for setting up large scale operations, and last but not least we have appointed a new team of members on our board of directors, (see *Board of Directors & Management*).

The road to developing the new business model has been demanding, but finally we are ready to start executing and create shareholder value.

Yours faithfully,

Stockholm IT Ventures AB

Anthony Norman, CEO

Nacka, 27 April 2018

Board of Directors & Management

Roger Tamraz – Chairman of the Board

Mr Tamraz is a renowned successful investment banker and venture capital investor. He founded Tamoil, an oil company which he built from the acquired assets of Amoco and Texaco. Tamoil has since gone on to become a \$20 billion turnover business. During his time in the oil industry he has been responsible for some of the most innovative pipeline engineering projects, including the Suez-Mediterranean pipeline which was considered one of the world's greatest engineering feats.

Marc d'Hombre – Director

Mr d'Hombre is a financial consultant with Satellite Logistics. He has held several senior advisor positions with leading investment firms, including Maera-Capital, MBC Consultancy and Atlantic Financial Group. He holds degrees in Economics from the Paris Law and Economics University as well as Mathematics and Philosophy.

Matthew Steckel – Director

Mr Steckel is an international investor and experienced corporate manager in upstream and downstream oil and gas, banking and finance, and computerized design and engineering for the oil and gas industry. He served as Chairman of the Board of Directors of a Swiss Bank operating in Geneva and Lugano. He holds an MA and MBA in International Banking and Finance from Harvard Business School, a BA in Mathematics and Economics from Drew University and degrees in Advanced International Economics from the London School of Economics, as well as Mechanical Engineering and Mathematics from Stevens Institute of Technology.

Eduard Will – Director

Mr Will is a merchant banker specializing in mergers and acquisitions and direct investments. He currently serves on the board of directors or as a senior advisor for numerous firms including Emerson Radio, South East Group in Hong Kong, Crimson Ant General Partner Limited and Lafe Corporation Limited. He holds a degree from the University of Hamburg.

Nicolai Paskalev – Director

Mr Paskalev is a financial advisor with Advoconsult Financial and Advisory Services specializing in debt management, financing and long-term investment strategies. He holds a Master's Degree in International Business from the University of National and World Economy.

Jörgen Andersson – Director

Mr Jörgen Andersson is a member of the Swedish parliament for the conservatives, "Moderata Samlingspartiet" and is also a member of the Finance Committee of the parliament.

Mr Andersson's expertise in legislation and experience from the political arena in Sweden is a valuable resource for the Company and the board of directors.

Claes Strömwall – Director

Mr Strömwall has extensive experience of leading teams in the naval sector and as a business executive. He has founded several management companies in the super and mega yacht sector which has given him an invaluable network, including some of the world's most well-known business magnates. He is a most valued resource to the Company with respect to the process of setting up management and reporting structures.

Anthony Norman – CEO

Mr Norman is the CEO of Stockholm IT Ventures AB and has an extensive and solid background from the IT industry and as a programmer. He has held multiple executive positions in the industry and is also a serial entrepreneur.

Risks and uncertainties

A number of factors may affect the Company's results and business. Many of these can be dealt with through internal routines, while certain others are affected more by external influences.

Potential risks and uncertainties relate to factors such as: (1) the timing of the introduction of new products and services and the extent of their acceptance in the market; (2) our expectations of growth in demand for our products and services; (3) our ability to successfully implement expansion and acquisition plans; (4) the impact of expansion on our revenue, cost basis and margins; (5) our ability to respond to changing technology and market conditions; (6) the effects of regulatory developments and legal proceedings with respect to our business; (7) the impact of exchange rate fluctuations; and (8) our ability to obtain additional financing.

Declaration of Board of Directors & Management

The undersigned hereby provide an assurance that the half-year report for 1 January 2017 – 30 June 2017 provides a true and fair view of the Company's and the business, positions and earnings, and also describe the significant risks and uncertainties faced by the Company.

Nacka, 27 April 2018



Roger Tamraz
Chairman of the Board

Marc d'Hombre
Director

Matthew Steckel
Director

Eduard Will
Director

Nicolai Paskalev
Director

Jörgen Andersson
Director

Claes Strömvall
Director

Anthony Norman
CEO

Interim condensed statement of financial position

as at

| | <u>30-Jun-17</u> | <u>31-Dec-16</u> |
|--|-------------------------|-------------------------|
| | <u>Unaudited</u> | <u>Audited</u> |
| | EUR | EUR |
| Assets | | |
| Non-current assets | | |
| Intangible assets (Note 4) | 938,771 | 938,771 |
| | <u>938,771</u> | <u>938,771</u> |
| Current assets | | |
| Trade and other receivables (Note 5) | 105,244 | 82,372 |
| Prepayments (Note 5) | 36,764 | 45,977 |
| Cash and short-term deposits | 12,805 | 10,538 |
| | <u>154,813</u> | <u>138,887</u> |
| Total assets | <u>1,093,584</u> | <u>1,077,658</u> |
| Equity and liabilities | | |
| Equity | | |
| Ordinary shares, €.0002 quote value. 1,460,000,000 shares authorized. 365,551,375 issued and outstanding at 31-Dec-16 and 30-Jun-17, respectively. | 73,110 | 73,110 |
| Share premium | 10,260,604 | 10,260,604 |
| Other components of equity | 573,360 | 573,360 |
| Retained deficit | <u>(10,876,303)</u> | <u>(10,867,155)</u> |
| Total equity | <u>30,771</u> | <u>39,919</u> |
| Current liabilities | | |
| Trade and other payables (Note 5) | 583,825 | 579,164 |
| Other short-term debts (Note 5) | 463,792 | 442,860 |
| Accrued other liabilities (Note 5) | 15,196 | 15,715 |
| | <u>1,062,813</u> | <u>1,037,739</u> |
| Total equity and liabilities | <u>1,093,584</u> | <u>1,077,658</u> |

Interim condensed statement of profit or loss for the six months ended 30 June

| | 2017 | 2016 |
|--|----------------|---------------|
| | Unaudited | |
| | EUR | EUR |
| Revenue | 3,609 | 45,977 |
| Gross profit | 3,609 | 45,977 |
| Selling, general and administrative expenses | (12,656) | (34,535) |
| Operating profit (loss) | (9,047) | 11,442 |
| Finance costs | (448) | (107) |
| Finance income | 348 | - |
| Profit (loss) before tax | (9,148) | 11,335 |
| Income tax expense | - | - |
| Profit (loss) for the period | (9,148) | 11,335 |
| Average number of shares outstanding in the period: | | |
| Basic | 365,551,375 | 365,551,375 |
| Diluted | 365,551,375 | 365,551,375 |
| Earnings per share (EPS): | | |
| Basic earnings (loss) per share for the period | - | - |
| Diluted earnings (loss) per share for the period | - | - |

Interim condensed statement of comprehensive income for the six months ended 30 June

| | 2017 | 2016 |
|--|----------------|---------------|
| | Unaudited | |
| | EUR | EUR |
| Profit (loss) for the period | (9,148) | 11,335 |
| Other comprehensive income | - | - |
| Total comprehensive income (loss) | (9,148) | 11,335 |

Interim condensed statement of changes in equity
For the period 1 January 2016 to 30 June 2017

| | Issued ordinary shares and capital | | Share premium | Other components of equity | Retained deficit | Total equity |
|---|------------------------------------|---------------|-------------------|----------------------------|---------------------|---------------|
| | Shares | Capital | | | | |
| | EUR | EUR | EUR | EUR | EUR | EUR |
| As at 1 January 2016 | 365,551,375 | 73,110 | 10,260,604 | 573,360 | (10,858,563) | 48,511 |
| Total comprehensive income for the period | - | - | - | - | 11,335 | 11,335 |
| As at 30 June 2016 | 365,551,375 | 73,110 | 10,260,604 | 573,360 | (10,847,228) | 59,846 |
| Total comprehensive loss for the period | - | - | - | - | (19,927) | (19,927) |
| As at 31 December 2016 | 365,551,375 | 73,110 | 10,260,604 | 573,360 | (10,867,155) | 39,919 |
| Total comprehensive loss for the period | - | - | - | - | (9,148) | (9,148) |
| As at 30 June 2017 | 365,551,375 | 73,110 | 10,260,604 | 573,360 | (10,876,303) | 30,771 |

Interim condensed statement of cash flows

For the six months ended 30 June

| | 2017 | 2016 |
|--|---------------|---------------|
| | Unaudited | |
| | EUR | EUR |
| Operating activities | | |
| Profit (loss) before tax | (9,148) | 11,335 |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i> | | |
| Amortisation and impairment of intangible assets | - | 34,345 |
| Finance costs | 448 | 107 |
| Finance income | (348) | - |
| <i>Working capital adjustments:</i> | | |
| Increase in trade and other receivables and prepayments | (13,659) | (51,774) |
| Increase in trade and other payables | 25,074 | 6,070 |
| | 2,368 | 83 |
| Interest paid | (448) | (107) |
| Interest received | 348 | - |
| Net cash flows from operating activities | 2,267 | (24) |
| Net (decrease)/increase in cash and cash equivalents | 2,267 | (24) |
| Cash and cash equivalents at 1 January | 10,538 | 10,562 |
| Cash and cash equivalents at 30 June | 12,805 | 10,538 |

Notes to the interim condensed financial statements

1. Corporate information

Stockholm IT Ventures AB (the Company) is a limited company, incorporated and domiciled in Sweden with company registration number 556788-2807, whose shares are publicly traded on the Frankfurt Stock Exchange under the ticker symbol SVAB. The registered office is located at Tegeluddsvägen 31, 115 41 Stockholm, Sweden.

The Company is a technology company specialising in cryptocurrencies, both in terms of mining/production and in block-chain technologies. All mining activities use eco-friendly green energy drawn from hydro power stations in the Northern European region. The Company represents a green investment in cryptocurrencies focused on finding next generation technologies and trends in its space.

As of 25 April 2018, the Company had 365,551,375 ordinary shares issued and outstanding and the closing share price on the Frankfurt Stock Exchange was EUR 0.062.

2. Basis of preparation and changes to the Company's accounting policies

2.1 Basis of preparation

As a Swedish company listed on the Frankfurt Stock Exchange, with no subsidiaries in- or outside Sweden during 2016 and this reporting period, the Company is under the jurisdiction and reporting regulations of the Swedish Financial Supervisory Authority (*Swedish*: Finansinspektionen) and not required to prepare any consolidated financial statements.

Unless otherwise stated, all monetary amounts are stated in euro (EUR) as the reporting currency.

These interim condensed financial statements for the six months ended 30 June 2017 have been prepared in accordance with IAS 34 Interim Financial Reporting.

These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2016.

These interim condensed financial statements have not been audited by the Company's auditors.

The Company's annual financial statements and comparative figures as at 31 December 2016 have been prepared and presented in compliance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities, which essentially involves applying IFRS, as adopted by the EU.

Notes to the interim condensed financial statements

2.2 New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these amendments apply for the first time in 2017, they do not have a material impact on the interim condensed financial statements of the Company. The nature and the impact of each amendment is described below:

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The Company is not required to provide additional disclosures in its condensed interim financial statements but will disclose additional information in its annual financial statements for the year ended 31 December 2017, if required.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Unrecognised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The Company applied the amendments retrospectively. However, their application has no effect on the Company's financial position and performance as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

Notes to the interim condensed financial statements

Annual Improvements Cycle - 2014-2016

Amendments to IFRS 12 *Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in IFRS 12*

The amendments clarify that the disclosure requirements in IFRS 12, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

As the disclosure requirements in IFRS 12 do not specifically apply to the interim condensed financial statements, the Company did not provide any disclosures. The Group will disclose any required information in its annual financial statements for the year ended 31 December 2017.

3. Segment reporting

The Company presents no segment information since the Company is defined as one segment.

4. Intangible assets

The Company performed its annual impairment test in connection with the preparation of its annual report and when circumstances indicate the carrying value may be impaired. The Company's impairment test for intangible assets is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual financial statements for the year ended 31 December 2016.

5. Financial assets and financial liabilities

The Company's financial assets and financial liabilities as at 30 June 2017 and 31 December 2016 were all either current assets or current liabilities held at their nominal values disclosed in the interim condensed statement of financial position and as such they are deemed to approximate their fair values.

6. Events after the statement of financial position date

There have been no other material events after the statement of financial position date which would require disclosure or adjustment to the 30 June 2017 interim condensed financial statements.