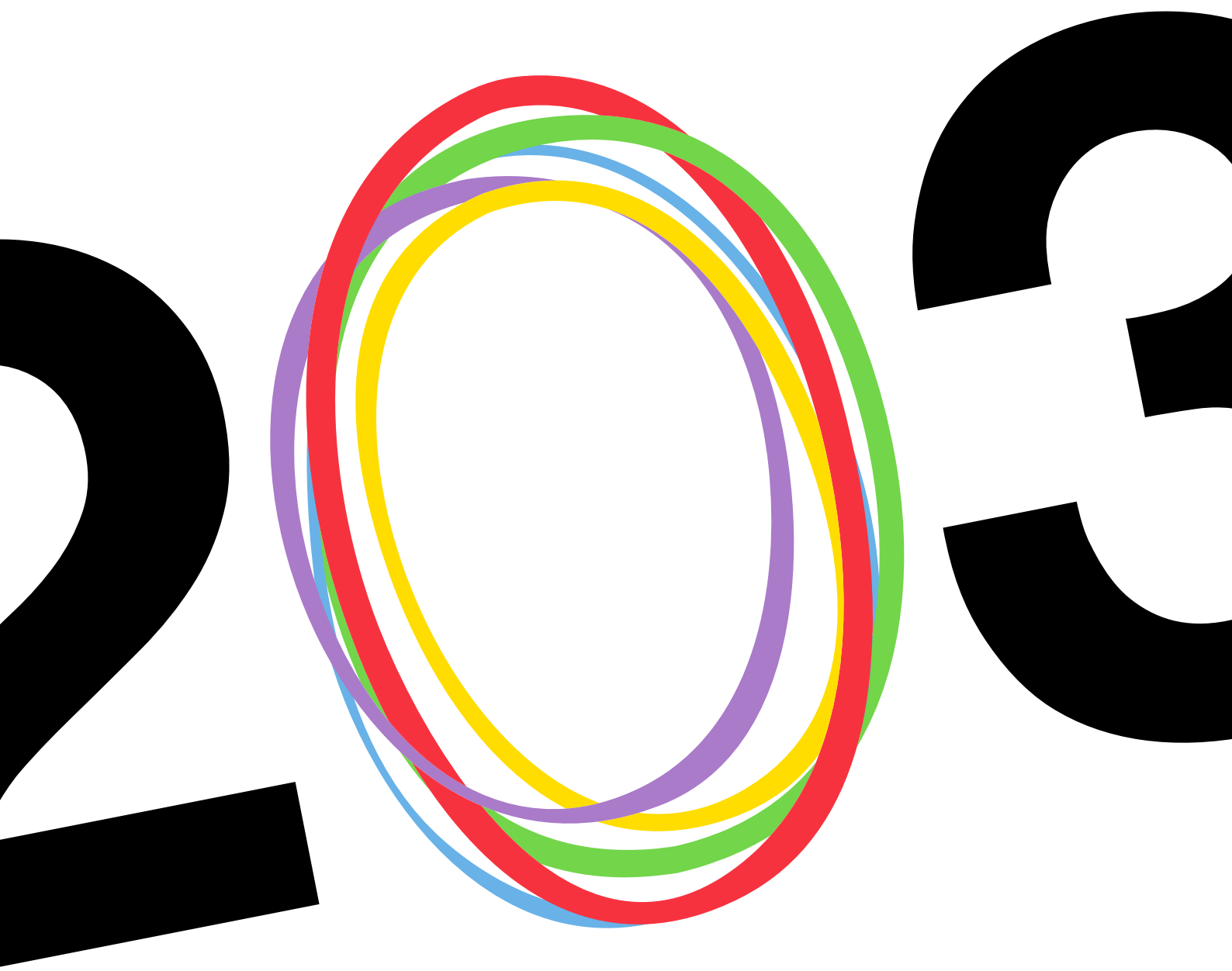


INTERIM REPORT **Q2** 2014

SUMMARY OF INTERIM REPORT 1 JAN. 2014 - 30 JUNE 2014
203 WEB GROUP AB (PUBLIC JSC) CORP. ID NO. 556710-8757



SUMMARY

87 MILLION VISITORS

+ 22%

COMPARED TO Q2 2013

| THE GROUP | Q2 2014 | Q2 2013 | Q1-Q2 2014 | Q1-Q2 2013 |
|---------------------------------------|---------|---------|------------|------------|
| NET TURNOVER (KSEK) | 12 469 | 12 814 | 24 577 | 23 632 |
| OPERATING PROFIT/LOSS (EBITDA) (KSEK) | -3 532 | 2 654 | -5 472 | 3 709 |
| OPERATING MARGIN (EBITDA) (%) | N/A | 20,71 | N/A | 15,69 % |
| EARNINGS AFTER TAX (KSEK) | -5 130 | 1 462 | -7 316 | 1 449 |
| EARNINGS PER SHARE (SEK) | -0,31 | 0,10 | -0,45 | 0,09 |

SIGNIFICANT EVENTS

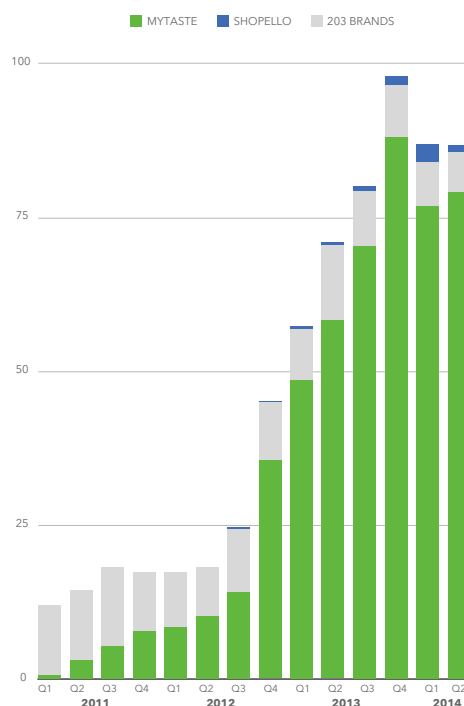
DURING THE PERIOD

- Divestment of Bilweb AB with a view to streamlining the business. The purchase consideration was SEK 4 million.
- 203 Brands AB invested SEK 1,500,039 in Shopello International AB via a new share issue. This increases the shareholding in the company by 243 shares, corresponding to 9.38%. In addition, 203 Web Group acquired a further 18.18% of the shares via a non-cash issue valued at SEK 1,999,986, in the form of shares in 203 Web Group. Following these transactions, the Group holds a total of 79.56% of the shares in Shopello.
- Premium sales for myTaste 2.4 MSEK, up 276% from Q2 previous year.

AFTER THE PERIOD

- Changed trading venue to Nasdaq OMX First North Premier.
- In August, Jonas Söderqvist took over as 203 Web Group's new CEO. At the same time, Andreas Friis became Chairman and CFO Robert Zettervall took up the position of Deputy CEO.
- In August, former Head of Operations Martin Lilliestierna became CEO of 203 Brands.
- In September, Aage Reerslev, founder of Wrapp, will join the Group as CEO of myTaste.

TRAFFIC



MESSAGE FROM THE CEO

“ *It is pleasing to report that the growth in traffic on myTaste remains stable, and has accelerated ahead of the seasonally strongest period of our year. This paves the way for new traffic records.* ”

New in this report is a presentation – on page 7 in the Swedish report – of our goals for traffic and membership growth up to year-end. To further increase the rate of growth at myTaste, we are evaluating options such as a capital injection, strategic partnerships and M&A transactions. Our decisions to dispense with video advertising during Q2 2013 and to reduce our advertising space by 70% during Q4 2013, in favour of more relevant and qualitative advertising, have now proved to be strategically apt. In the short term, we witnessed a decline in RPV (revenue per visit), but now the levels have started to move higher again as premium sales are up 276% (2,4 MSEK) compared to the same period previous year.

Shopello, too, is expanding steadily, with growth in the number of affiliated stores and partners. It has also started work on establishing an international sales organisation in Barcelona in an effort to further stimulate store and partner growth.

This quarter, we are reporting a weaker result than last time, owing to higher costs incurred by the parent company in converting to IFRS, the change of trading floor to First North and the demerger of myTaste into a separate company. 203 Brands also recorded increased costs, in connection with the sales of Bilweb, which impacted negatively on earnings.

Elsewhere, we are continuing to invest in our portfolio companies, above all myTaste, where we identify further excellent opportunities for stepping up the rate of growth. We are now developing our myTaste app, which we hope will be ready for a Q4 launch. Our expectations are that this will help to stimulate growth in membership on the basis that a mobile-compatible product is an essential condition for converting mobile traffic. Today, roughly 50% of our traffic originates from mobile devices, but membership conversions from them are very nearly non-existent. Because mobile traffic continues to show steady growth, we view the app and a mobile-compatible site as value-building in the long term.



Jonas Söderqvist
Founder / CEO
203 Web Group AB (publ)



CONSOLIDATED INCOME STATEMENT

| KSEK | | 1 APR. 2014 -30 JUN. 2014 | 1 JAN. 2014 -30 JUN. 2014 | 1 APR. 2013 -30 JUN. 2013 | 1 JAN. 2013 -30 JUN. 2013 |
|--|---|------------------------------|------------------------------|------------------------------|------------------------------|
| NET TURNOVER | 1 | 12,496 | 24,577 | 12,814 | 23,632 |
| WORK PERFORMED BY THE COMPANY FOR ITS OWN USE AND CAPITALISED | | 1,944 | 4,027 | 780 | 1,391 |
| OTHER OPERATING REVENUE | | 133 | 269 | 666 | 911 |
| | | 14,573 | 28,873 | 14,260 | 25,934 |
| OPERATING EXPENSES | | | | | |
| DIRECT EXPENSES | | -4,532 | -9,032 | -2,734 | -4,630 |
| OTHER EXTERNAL EXPENSES | | -3,167 | -5,845 | -2,208 | -4,445 |
| PERSONNEL EXPENSES | | -10,406 | -19,468 | -6,664 | -13,150 |
| DEPRECIATION | | -1,170 | -2,386 | -1,144 | -2,228 |
| | | -19,275 | -36,731 | -12,750 | -24,453 |
| OPERATING PROFIT | | -4,702 | -7,858 | 1,510 | 1,481 |
| NET FINANCIAL ITEMS | | -497 | 431 | -97 | -183 |
| EARNINGS BEFORE TAX | | -5,199 | -7,427 | 1,413 | 1,298 |
| TAX | | 69 | 111 | 49 | 151 |
| EARNINGS FOR THE PERIOD | | -5,130 | -7,316 | 1,462 | 1,449 |
| EARNINGS FOR THE PERIOD ATTRIBUTABLE TO: | | | | | |
| PARENT COMPANY SHAREHOLDERS | | -5,014 | -7,249 | 1,468 | 1,456 |
| NON-CONTROLLING INTERESTS | | -116 | -67 | -6 | -7 |
| TOTAL | | -5,130 | -7,316 | 1,462 | 1,449 |
| EARNINGS PER SHARE BEFORE DILUTION, SEK | | -0.314 | -0.447 | 0.095 | 0.094 |
| EARNINGS PER SHARE AFTER DILUTION, SEK | | -0.312 | -0.445 | 0.095 | 0.094 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN BRIEF

| KSEK | 30 JUN. 2014 | 31 DEC. 2013 | 30 JUN. 2013 | 1 JAN. 2013 |
|---|---------------|---------------|---------------|---------------|
| ASSETS | | | | |
| NON-CURRENT ASSETS | | | | |
| GOODWILL | 13,180 | 13,180 | 13,180 | 13,180 |
| OTHER INTANGIBLE ASSETS | 19,928 | 21,229 | 21,547 | 21,713 |
| TANGIBLE NON-CURRENT ASSETS | 3,485 | 3,663 | 3,091 | 3,303 |
| FINANCIAL NON-CURRENT ASSETS | 722 | 708 | 571 | 100 |
| DEFERRED TAX RECEIVABLES | 365 | 372 | 314 | 252 |
| TOTAL NON-CURRENT ASSETS | 37,680 | 39,152 | 38,703 | 38,548 |
| CURRENT ASSETS | | | | |
| CURRENT ASSETS EXCLUDING CASH AND CASH EQUIVALENTS | 9,522 | 8,607 | 10,787 | 9,698 |
| CASH AND CASH EQUIVALENTS | 6,512 | 13,008 | 2,815 | 2,822 |
| TOTAL CURRENT ASSETS | 16,034 | 21,615 | 13,602 | 12,520 |
| TOTAL ASSETS | 53,714 | 60,767 | 52,305 | 51,068 |
| EQUITY AND LIABILITY | | | | |
| EQUITY | | | | |
| SHARE CAPITAL | 8,223 | 8,176 | 7,676 | 7,676 |
| OTHER CONTRIBUTED CAPITAL | 46,875 | 44,872 | 31,781 | 31,781 |
| CURRENCY TRANSLATION RESERVE | - 1 | - 24 | 1 | 0 |
| PROFITS BROUGHT FORWARD INCLUDING NET INCOME | - 22,026 | - 12,600 | - 9,176 | - 10,375 |
| EQUITY ATTRIBUTABLE TO PARENT COMPANY SHARE-HOLDERS | 33,071 | 40,424 | 30,282 | 29,082 |
| EQUITY ATTRIBUTABLE TO HOLDINGS WITHOUT CONTROLLING INTERESTS | 436 | 325 | 1,056 | 1,099 |
| TOTAL EQUITY | 33,507 | 40,749 | 31,338 | 30,181 |
| NON-CURRENT LIABILITIES | | | | |
| INTEREST-BEARING LIABILITIES | 1,821 | 3,435 | 1,975 | 2,231 |
| OTHER LIABILITIES | 0 | 1,276 | 1,124 | 1,054 |
| DEFERRED TAX LIABILITY | 2,251 | 2,409 | 2,803 | 2,974 |
| CURRENT LIABILITIES | | | | |
| INTEREST-BEARING LIABILITIES | 2,202 | 996 | 600 | 1,360 |
| OTHER LIABILITIES | 13,933 | 11,902 | 14,465 | 13,268 |
| TOTAL EQUITY AND LIABILITIES | 53,714 | 60,767 | 52,305 | 51,068 |

CONSOLIDATED STATEMENT OF CASH FLOWS IN BRIEF

| KSEK | NOTE | 1 JAN. 2014 -30 JUN. 2014 | 1 JAN. 2013 -30 JUN. 2013 |
|--|------|------------------------------|------------------------------|
| OPERATING ACTIVITIES | | | |
| EARNINGS BEFORE TAX | | -7,427 | 1,298 |
| OTHER OPERATING REVENUE | | 1,728 | 2,577 |
| | | -5,699 | 3,875 |
| PAID INCOME TAX | | -222 | -318 |
| NET CASH FLOW FROM OPERATING ACTIVITIES | | -5,921 | 3,557 |
| BEFORE WORKING CAPITAL CHANGES | | | |
| ADJUSTMENT OF WORKING CAPITAL | | -577 | -626 |
| CASH FLOW FROM OPERATING ACTIVITIES | | -6,498 | -2,931 |
| CASH FLOW FROM INVESTING ACTIVITIES | | 461 | -2,364 |
| CASH FLOW FROM FINANCING ACTIVITIES | | -459 | -574 |
| CASH FLOW FOR THE PERIOD | | -6,496 | -7 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | | 13,008 | 2,822 |
| EXCHANGE RATE DIFFERENCE IN CASH AND CASH EQUIVALENTS | | | |
| CASH AND CASH EQUIVALENTS AS OF 30 JUNE | | 6,512 | 2,815 |

NOTE 1 OPERATING SEGMENTS

The Group's operating segments are identified based on internal reports that are made to the company's most senior executive. The CEO constitutes the Group's chief operating decision making body. The Group has identified four operating segments; myTaste, Shopello, Other websites and 203 Creative.

myTaste is one of the world's largest food website featuring social functionality. The main source of revenue is advertising.

Shopello is an e-commerce platform that markets the products of other web shops and earns revenue through the brokering of traffic.

In the first quarter of 2014, 203 Brands included: Matklubben.se, Bilweb.se and Allaannonser.se. These websites are similar to one another in that they have reached a mature phase regarding both traffic and margin. The main source of revenue is advertising.

203 Creative is an independent web agency that delivers consulting services to both external customers and the internal websites.

Apart from these four segments, it is also broken down at the Group-wide level, since these do not belong to any one specific segment.

| APRIL - JUNE 2014 (2013) | MYTASTE | SHOPELLO | 203 BRANDS | 203 CREATIVE | GROUP WIDE | ADJUST- MENTS | THE GROUP |
|---|---------------|---------------|---------------|-----------------|---------------|------------------|-----------------|
| EXTERNAL REVENUE | 3,645 (3,368) | 2,950 (1,595) | 3,589 (4,678) | 2,312 (3,172) | 0 (1) | | 12,496 (12,814) |
| INTERNAL REVENUE | 0 (0) | 0 (0) | 0 (661) | 339 (242) | 2,780 (1,591) | -3,119 (-2,494) | 0 (0) |
| OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) | -2,294 (-173) | -328 (85) | 846 (2,491) | -170 (436) | -1,772 (-356) | 186 (170) | -3,532 (2,653) |
| DEPRECIATION | | | | | | | -1,170 (-1,144) |
| FINANCIAL ITEMS, NET | | | | | | | -497 (-96) |
| GROUP EARNINGS BEFORE TAX | | | | | | | -5,199 (1,413) |

| JAN.- MARS 2014 (2013) | MYTASTE | SHOPELLO | 203 BRANDS | 203 CREATIVE | GROUP WIDE | ADJUST- MENTS | THE GROUP |
|---|-----------------|---------------|---------------|-----------------|---------------|------------------|-----------------|
| EXTERNAL REVENUE | 2,386 (2,574) | 3,209 (1,061) | 3,876 (3,684) | 2,610 (2,998) | 0 (500) | | 12,081 (10,817) |
| INTERNAL REVENUE | 37 (67) | 0 (0) | 315 (517) | 124 (181) | 2,730 (1,681) | -3,206 (-2,446) | 0 (0) |
| OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) | -2,982 (-1,250) | 124 (-235) | 947 (1,453) | -13 (399) | -205 (519) | 189 (169) | -1,940 (1,055) |
| DEPRECIATION | | | | | | | -1,216 (-1,084) |
| FINANCIAL ITEMS, NET | | | | | | | 928 (-86) |
| GROUP EARNINGS BEFORE TAX | | | | | | | -2,228 (-115) |

| JAN.- DEC. 2012 | MYTASTE | SHOPELLO | 203 BRANDS | 203 CREATIVE | GROUP WIDE | ADJUSTMENTS | THE GROUP |
|---|---------|----------|------------|--------------|------------|-------------|-----------|
| EXTERNAL REVENUE | 11,340 | 7,470 | 16,886 | 11,037 | 501 | | 47,234 |
| INTERNAL REVENUE | 67 | 0 | 2,588 | 861 | 7,829 | - 11,345 | 0 |
| OPERATING PROFIT BEFORE DEPRECIATION (EBITDA) | - 7,021 | 147 | 9,539 | 602 | - 239 | - 359 | 2,669 |
| DEPRECIATION | | | | | | | - 4,519 |
| FINANCIAL ITEMS, NET | | | | | | | - 578 |
| GROUP EARNINGS BEFORE TAX | | | | | | | - 2,428 |

Eliminations have been made in order to compensate for the fact that leasing is followed up as "operational" in the individual segments, but is reported as "financial" in the Group. For the full year, reclassification of intangible assets and business combinations have also been adjusted.

