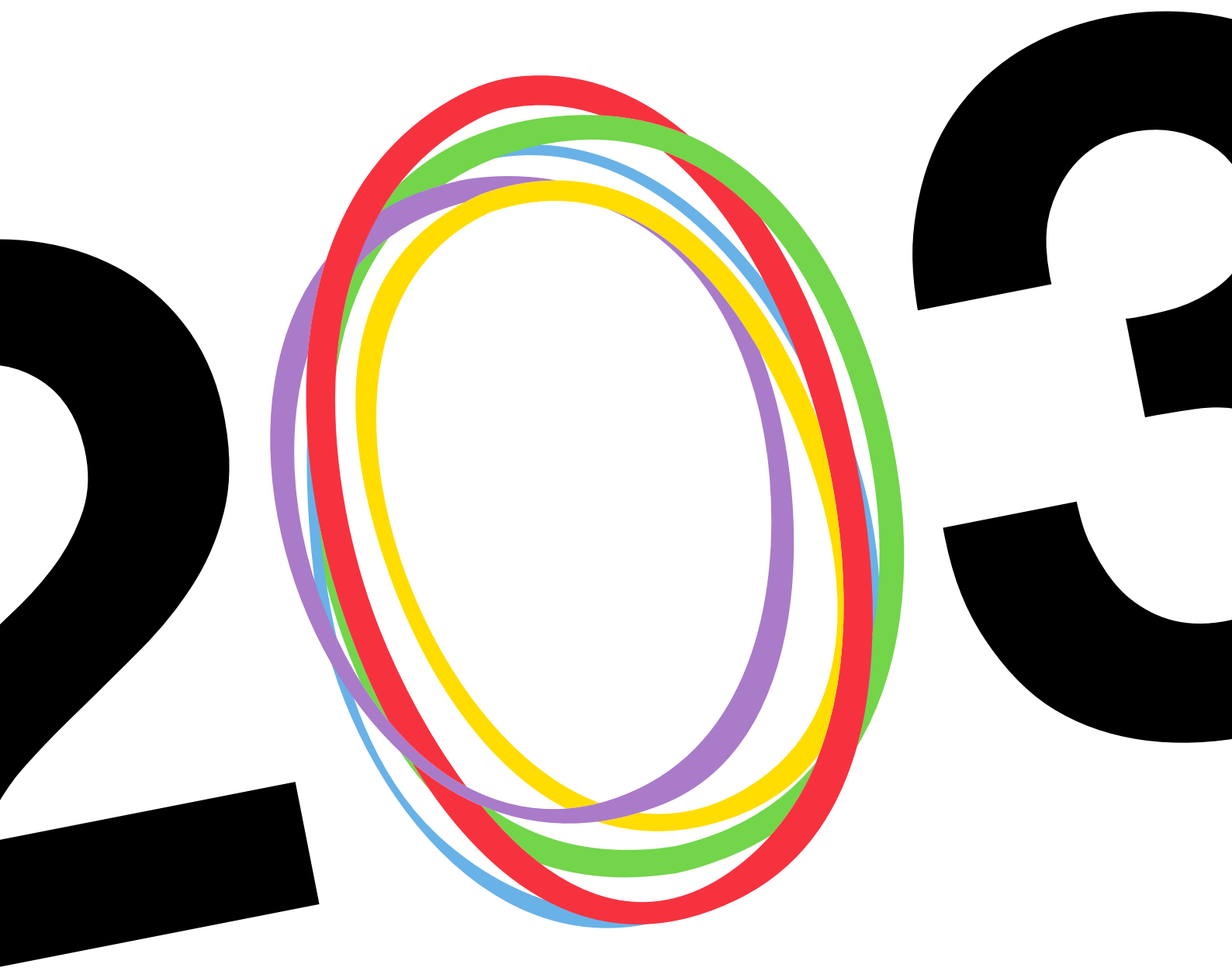


INTERIM REPORT **Q2** 2014

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 4723	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

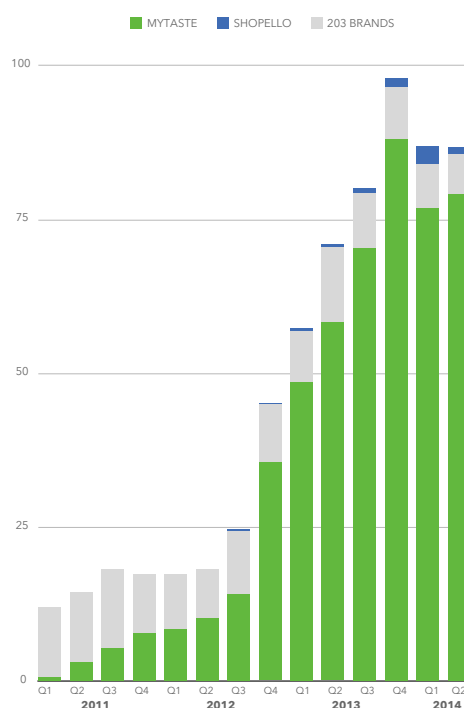
DURING THE PERIOD

- 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.

