



# SUMMARY OF: INTERIM STATEMENT JAN-MAR 2014 87 MILLION VISITORS DURING Q1 (+ 53%)

This is a summary. For complete information, please refer to the original version of the report in Swedish. Printing errors or linguistic deviations may occur during translation.

| The Group                             | Q1 2014 | Δ             | Q1 2013 |
|---------------------------------------|---------|---------------|---------|
| Net turnover (kSEK)                   | 12,081  | <b>11.7 %</b> | 10,817  |
| Operating profit/loss (EBITDA) (kSEK) | - 1,940 | <b>n/a</b>    | 1,055   |
| Operating margin (EBITDA) (%)         | n/a     | <b>n/a</b>    | 9.7     |
| Earnings after tax (kSEK)             | - 2,186 | <b>n/a</b>    | - 13    |
| Earnings per share (SEK)              | - 0.13  | <b>n/a</b>    | - 0.00  |

## SIGNIFICANT EVENTS

### DURING THE PERIOD

- Shopello was launched in Norway and Brazil. The plan is that it follow a similar establishment model as myTaste.
- Disposal of shares in Auctions Online Scandinavia AB through the 203 Brands subsidiary. In total, the deal encompasses 10,600 shares with a total realisable market value of SEK 1,049,400. The shares were received as a partial payment upon a consulting assignment carried out by the Group's web agency in 2011 with the intention of subsequently disposing of the shares at a profit.
- 11 new countries for myTaste, 48 countries in total.

### AFTER THE PERIOD

- 4.3 million registered members on myTaste as of 25 May.
- Divestment of Bilweb AB in order to streamline operations. The purchase price amounted to SEK 4 million.
- 203 Brands AB has invested SEK 1,500,039 in Shopello International AB through a new share issue. Thereby, the company's shareholdings have increased by 243 shares, which corresponds to 9.38%. Apart from this, 203 Web Group has agreed to acquire an additional 18.18% of the shares via a non-cash issue of SEK 2,000,000, with shares in 203 Web Group. Following the transactions, the Group will own a total of 79.56% of Shopello. The non-cash issue is contingent upon the approval of the annual general meeting. The founders and principal owners of 203 Web Group AB (public JSC) have responded positively to the arrangement and have committed to vote on the issue.

## MESSAGE FROM THE CEO



This quarter, we have begun reporting according to IFRS principles. This opens up the company in a whole new way, and makes it possible for us finally to provide a fair reflection of the profitability of our most established websites. Our hope is that this new level of transparency will provide insight into why we choose to invest so heavily in myTaste and Shopello - the trademarks in which we see the greatest potential. We continue to reinvest the cash flow in technology for these services and see continued strong growth in the markets

onto which we have entered so far. Following the period, we have decided to make further investments in Shopello International AB in order to get started seriously with the internationalisation that we have planned for the service. Through these investments, the Group expands its holdings from 52% to 79.56% in the company. Furthermore, we have divested Bilweb after the end of the period, in order to streamline operations and focus wholeheartedly on the trademarks we believe have long-term potential to expand on the global market.

We intend to apply for a listing and to have it moved to NASDAQ OMX First North Premier. This is a natural step in our ongoing expansion and we believe it will open many doors for us, both in Sweden and internationally. Our aim is to increase interest in the company and to make it easier for institutional investors to trade the shares.

Following the end of the period, myTaste has more than 4 million registered members; this is a result of the efforts we are making towards becoming a social platform. It was only in October 2013 that we implemented the first social features on the website, and since then we have devoted all our attention to constructing a social network for food enthusiasts, with loyal members worldwide. In other respects, the traffic growth of myTaste has not been as strong in the first quarter as in previous quarters, which is mainly due to seasonal effects. Last year Easter, the largest food festival after Christmas and New Year, fell in March, whereas this year it fell in April, contributing to a shift in traffic from one quarter to the next. This does not cause us any concern; rather, we are optimistic about the upcoming period as we see positive growth gaining momentum on recently launched markets.

As usual, I would like to take this opportunity to extend my gratitude to employees, clients investors and partners for a successful quarter and I look forward to seeing what the future holds.

Christoffer Johansson  
CEO  
203 Web Group AB (public JSC)



## CONSOLIDATED INCOME STATEMENT

| kSEK  | Note | 1 Jan. 2014<br>-31 Mar. 2014 | 1 Jan. 2013<br>-31 Mar. 2013 |
|---|------|------------------------------|------------------------------|
| Net turnover  | 1    | 12,081                       | 10,817                       |
| Work performed by the company for its own use and capitalised |      | 2,083                        | 611                          |
| Other operating revenue                                       |      | 136                          | 246                          |
|   |      | <b>14,300</b>                | <b>11,674</b>                |
| <i>Operating expenses</i>                                     |      |                              |                              |
| Direct expenses   |      | - 4,500                      | - 1,896                      |
| Other external expenses                                       |      | - 2,678                      | - 2,237                      |
| Personnel expenses  |      | - 9,062                      | - 6,485                      |
| Depreciation  |      | - 1,216                      | - 1,084                      |
|   |      | <b>- 17,456</b>              | <b>- 11,703</b>              |
| <b>Operating profit</b>                                       |      | <b>- 3,156</b>               | <b>- 29</b>                  |
| Net financial items   |      | 928                          | - 86                         |
| <b>Earnings before tax</b>                                    |      | <b>- 2,228</b>               | <b>- 115</b>                 |
| Tax   |      | 42                           | 102                          |
| <b>Earnings for the period</b>                                |      | <b>- 2,186</b>               | <b>- 13</b>                  |
| <b>Earnings for the period attributable to:</b>               |      |                              |                              |
| Parent company shareholders                                   |      | - 2,235                      | 0                            |
| Non-controlling interests                                     |      | 49                           | - 13                         |
| <b>Total</b>  |      | <b>- 2,186</b>               | <b>- 13</b>                  |
| Earnings per share before dilution, SEK                       |      | - 0.13                       | - 0.00                       |
| Earnings per share after dilution, SEK                        |      | - 0.13                       | - 0.00                       |

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN BRIEF

| kSEK  | Note | 31 Mar. 2014  | 31 Dec. 2013  | 31 Mar. 2013  | 1 Jan. 2013   |
|---|------|---------------|---------------|---------------|---------------|
| <b>ASSETS</b>   |      |               |               |               |               |
| <b>Non-current assets</b>                                     |      |               |               |               |               |
| Goodwill  |      | 13,180        | 13,180        | 13,180        | 13,180        |
| Other intangible assets                                       |      | 22,608        | 21,229        | 21,617        | 21,713        |
| Tangible non-current assets                                   |      | 3,619         | 3,663         | 3,208         | 3,303         |
| Financial non-current assets                                  |      | 716           | 708           | 567           | 100           |
| Deferred tax receivables                                      |      | 360           | 372           | 297           | 252           |
| <b>Total non-current assets</b>                               |      | <b>40,483</b> | <b>39,152</b> | <b>38,869</b> | <b>38,548</b> |
| <b>Current assets</b>   |      |               |               |               |               |
| Current assets excluding cash and cash equivalents            |      | 8,996         | 8,607         | 9,971         | 9,698         |
| Cash and cash equivalents                                     |      | 9,145         | 13,008        | 3,079         | 2,822         |
| <b>Total current assets</b>                                   |      | <b>18,141</b> | <b>21,615</b> | <b>13,050</b> | <b>12,520</b> |
| <b>TOTAL ASSETS</b>   |      | <b>58,624</b> | <b>60,767</b> | <b>51,919</b> | <b>51,068</b> |
| <b>EQUITY AND LIABILITY</b>                                   |      |               |               |               |               |
| <b>Equity</b>   |      |               |               |               |               |
| Share capital   |      | 8,176         | 8,176         | 7,676         | 7,676         |
| Other contributed capital                                     |      | 44,872        | 44,872        | 31,781        | 31,781        |
| Currency translation reserve                                  |      | - 23          | - 24          | - 1           | 0             |
| Profits brought forward including net income                  |      | - 14,822      | - 12,600      | - 10,594      | - 10,375      |
| Equity attributable to parent company shareholders            |      | 38,203        | 40,424        | 28,862        | 29,082        |
| Equity attributable to holdings without controlling interests |      | 374           | 325           | 1,041         | 1,099         |
| <b>Total equity</b>   |      | <b>38,577</b> | <b>40,749</b> | <b>29,903</b> | <b>30,181</b> |
| <b>Non-current liabilities</b>                                |      |               |               |               |               |
| Interest-bearing liabilities                                  |      | 3,262         | 3,435         | 2,084         | 2,231         |
| Other liabilities   |      | 0             | 1,276         | 1,088         | 1,054         |
| Deferred tax liability  |      | 2,330         | 2,409         | 2,888         | 2,974         |
| <b>Current liabilities</b>                                    |      |               |               |               |               |
| Interest-bearing liabilities                                  |      | 1,017         | 996           | 636           | 1,360         |
| Other liabilities   |      | 13,438        | 11,902        | 15,320        | 13,268        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                           |      | <b>58,624</b> | <b>60,767</b> | <b>51,919</b> | <b>51,068</b> |

## CONSOLIDATED STATEMENT OF CASH FLOWS IN BRIEF

| kSEK  | Note | 1 Jan. 2014<br>31 Mar. 2014 | 1 Jan. 2013<br>31 Mar. 2013 |
|---|------|-----------------------------|-----------------------------|
| <b>Operating activities</b>   |      |                             |                             |
| Earnings before tax   |      | - 2,229                     | - 115                       |
| Adjustment for non-cash items   |      | 1,234                       | 986                         |
|   |      | - 995                       | 871                         |
| Paid income tax   |      | - 95                        | - 121                       |
| <b>Net cash flow from operating activities<br/>before working capital changes</b> |      | <b>- 1,090</b>              | <b>750</b>                  |
| Adjustment of working capital   |      | 143                         | 2,007                       |
| <b>Cash flow from operating activities</b>  |      | <b>- 947</b>                | <b>2,757</b>                |
| <b>Cash flow from investing activities</b>  |      | <b>- 2,588</b>              | <b>- 1,360</b>              |
| <b>Cash flow from financing activities</b>  |      | <b>- 328</b>                | <b>- 1,140</b>              |
| <b>Cash flow for the period</b>   |      | <b>- 3,863</b>              | <b>257</b>                  |
| Cash and cash equivalents at beginning of year                                    |      | 13,008                      | 2,822                       |
| Exchange rate difference in cash and cash equivalents                             |      | 0                           | 0                           |
| <b>Cash and cash equivalents as of 31 March</b>                                   |      | <b>9,145</b>                | <b>3,079</b>                |

### 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, Other websites** 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.

| <b>JAN. - MAR. 2014</b>                       | <b>myTaste</b> | <b>Shopello</b> | <b>Other websites</b> | <b>203 Creative</b> | <b>Group wide</b> |         | <b>The Group</b> |
|---|----------------|-----------------|-----------------------|---------------------|-------------------|---------|------------------|
| External revenue                              | 2,386          | 3,209           | 3,876                 | 2,610               | 0                 |         | 12,081           |
| Internal revenue                              | 37             | 0               | 315                   | 124                 | 2,730             | - 3,206 | 0                |
| Operating profit before depreciation (EBITDA) | - 2,982        | 124             | 947                   | - 13                | - 205             | 189     | - 1,940          |
| Depreciation                                  |                |                 |                       |                     |                   |         | - 1,216          |
| Financial items, net                          |                |                 |                       |                     |                   |         | 928              |
| Group earnings before tax                     |                |                 |                       |                     |                   |         | - 2,228          |

| <b>JAN. - MAR. 2013</b>                       | <b>myTaste</b> | <b>Shopello</b> | <b>Other websites</b> | <b>203 Creative</b> | <b>Group wide</b> |       | <b>The Group</b> |
|---|----------------|-----------------|-----------------------|---------------------|-------------------|-------|------------------|
| External revenue                              | 2,574          | 1,061           | 3,684                 | 2,998               | 500               |       | 10,817           |
| Internal revenue                              | 67             | 0               | 517                   | 181                 | 1,681             | - 244 | 0                |
| Operating profit before depreciation (EBITDA) | - 1,250        | - 235           | 1,453                 | 399                 | 519               | 169   | 1,055            |
| Depreciation                                  |                |                 |                       |                     |                   |       | - 1,084          |
| Financial items, net                          |                |                 |                       |                     |                   |       | - 86             |
| Group earnings before tax                     |                |                 |                       |                     |                   |       | - 115            |

| <b>JAN.- DEC. 2013</b>                        | <b>myTaste</b> | <b>Shopello</b> | <b>Other websites</b> | <b>203 Creative</b> | <b>Group-wide</b> |          | <b>The Group</b> |
|---|----------------|-----------------|-----------------------|---------------------|-------------------|----------|------------------|
| 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.

