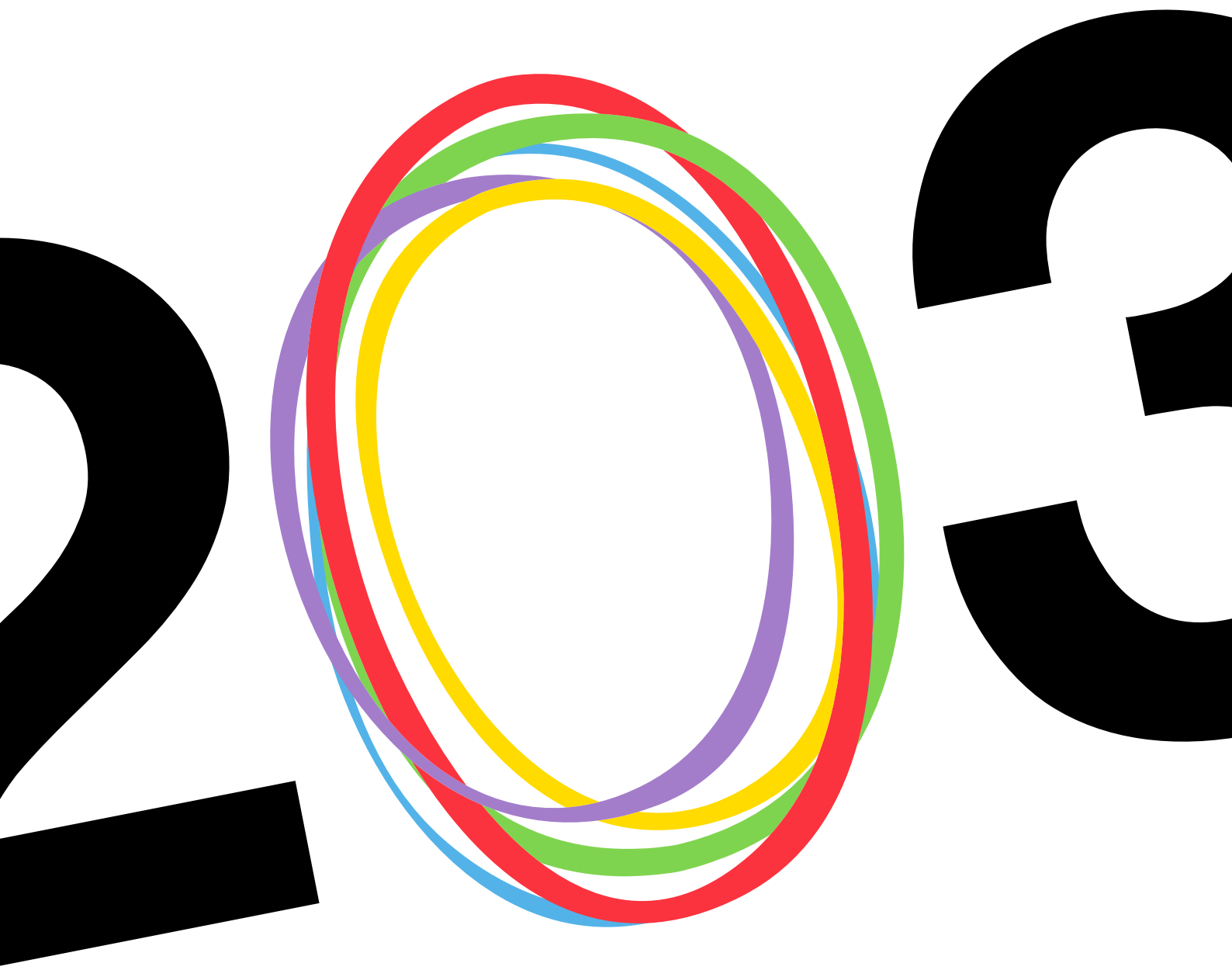


INTERIM REPORT **Q3**2014

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



SUMMARY

104 MILLION VISITORS

+ 30%

COMPARED TO Q3 2013

THE GROUP	Q2 2014	Q2 2013	Q1-Q2 2014	Q1-Q2 2013
NET TURNOVER (KSEK)	11,258	11,400	35,835	35,032
OPERATING PROFIT/LOSS (EBITDA) (KSEK)	-1,027	654	-6,499	4,364
OPERATING MARGIN (EBITDA) (%)	N/A	0.06	N/A	12.46
EARNINGS AFTER TAX (KSEK)	-2,374	-589	-9,690	860
EARNINGS PER SHARE (SEK)	-0.14	-0.04	-0.59	0.06

SIGNIFICANT EVENTS

DURING THE PERIOD

- 104 million visitors: best ever quarter in terms of traffic.
- New trading venue: Nasdaq OMX First North Premier.
- Jonas Söderqvist new CEO of 203 Web Group. At the same time, Andreas Friis became Chairman and CFO Robert Zettervall took up the position of Deputy CEO.
- myTaste focuses on markets with the possibility of the biggest revenues, reduces staff by 17 people.

AFTER THE PERIOD

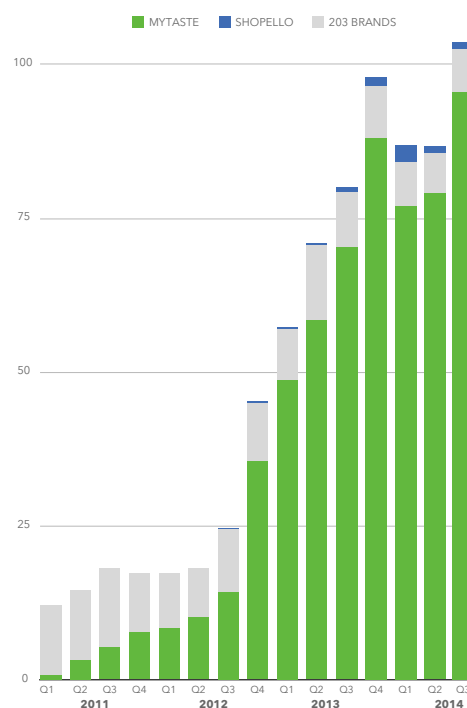
- myTaste's app for iPhone launched on the Swedish market in November, hits the top spot in the App Store's list of the most frequently downloaded food and drink apps just a week later.
- Acquisition of Spanish wine store Bodegashop.com agreed in October.
- Board of Directors proposes convertible share issue to strengthen financial position.
- Decreased traffic in Q4 after the last algorithm update from Google. Previously announced deadline for achieving our traffic and member objectives have been extended. Estimated traffic for November is 23 million visitors.

PORTFOLIO COMPANIES






TRAFFIC



MESSAGE FROM THE CEO

“ *With 104 million visitors in Q3, we are proud to present the strongest quarter ever in terms of traffic.* ”

In a very short space of time, myTaste has succeeded in becoming one of the world's biggest culinary websites. From solely focusing on increasing traffic and members, we have sharpened our focus on revenues during the autumn. In line with this, we have decided to place our resources in the countries where we see revenues being generated in the short term. This has involved 17 people leaving myTaste, mainly from support and administration. One consequence of this is that the Asian and African countries are no longer being offered support in local languages. In the future we will be focusing entirely on the European countries plus Brazil and the US, while the remaining countries will only be offered support in English. The fact that we have seen the biggest growth thus far in these areas and are able to build up local sales and increase revenues in the smallest amount of time, has been instrumental in our decision.

After the latest update from Google, we have seen that organic search engine traffic at myTaste has decreased in all countries apart from two, in which we have been running a new live version of the platform for some time. Traffic increased in these two countries in connection with the update, which is positive as this allows us to identify with certainty the measures required to restore traffic to the remaining countries. The aim is for the new version of the platform to be launched globally in Q4 and to already be able to see the results of this in Q1. For this reason we have decided to extend the previously announced deadline for achieving our traffic objectives.

The first version of the myTaste iPhone app was launched in Sweden at the end of November and within the space of a week, it had climbed to first place in its category. This is an extremely positive development and it will be exciting to follow its launch in the other countries in the future. With a large number of users downloading our app, we are reducing our dependency on Google and becoming less sensitive to any future updates.

It is also pleasing that 203 Creative has regained its profitability after the programme of measures initiated during the summer. Shopello is continuing to grow and the number of affiliated stores is increasing. 203 Brands continues to be stable and the mobile versions launched have had a positive effect on both visitor behaviour and sales. 203 Brands' acquisition of Möbler.se and its agreement to acquire Bodegashop.com fit into the portfolio extremely well as there are clear synergies with the other brands and fellow subsidiary Shopello.

In order to strengthen our financial position, the Board of Directors has proposed a convertible share issue that will prioritise existing shareholders. The plan is that, combined with greater focus on revenues for myTaste, this share issue will bring the Group into profit.



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



CONSOLIDATED INCOME STATEMENT

KSEK	NOTE	1 JULY 2014 -30 SEP 2014	1 JULY 2013 -30 SEP 2013	1 JAN 2014 -30 SEPT 2014	1 JAN 2013 -30 SEPT 2013	1 JAN 2013 -30 DEC 2013
NET TURNOVER	1	11,258	11,400	35,835	35,032	47,234
WORK PERFORMED BY TGE COMPANY FOR ITS OWN USE AND CAPITALISED		2,247	819	6,274	2,210	4,353
OTHER OPERATING REVENUES		129	591	398	1,502	1,605
		13,634	12,810	42,507	38,744	53,192
OPERATING REVENUES						
DIRECT EXPENSES		-3,880	-3,144	-12,912	-7,774	-12,854
OTHER EXTERNAL EXPENSES		-1,923	-2,842	-7,768	-7,286	-10,410
PERSONEL EXPENSES		-8,858	-6,170	-28,326	-19,320	-27,259
DEPRECIATION		-1,355	-1,142	-3,741	-3,370	-4,519
		-16,016	-13,298	-52,747	-37,750	-55,042
OPERATING PROFITS		-2,382	-488	-10,240	994	-1,850
NET FINANCIAL ITEMS		-71	-149	360	-332	-578
EARNINGS BEFORE TAX		-2,453	-637	-9,880	662	-2,428
TAX		79	48	190	198	343
EARNINGS FOR THE PERIOD		-2,374	-589	-9,690	860	-2,085
EARNINGS FOR THE PERIOD ATTRIBUTABLE TO:						
PARENT COMPANY SHAREHOLDERS		-2,235	-684	-9,484	772	-2,190
NON-CONROLLING INTERESTS		-139	95	-206	88	105
TOTAL		-2,374	-589	-9,690	860	-2,085
EARNINGS PER SHARE BEFORE DILUTION, SEK		-0.14	-0.04	-0.59	0.06	-0.14
EARNINGS PER SHARE AFTER DILUTION, SEK		-0.14	-0.04	-0.59	0.06	-0.13
NO. OF SHARES BEFORE DILUTION		16,445,757	15,351,949	16,351,949	15,351,949	15,351,949
NO. OF SHARES AFTER DILUTION		16,445,757	15,351,949	16,445,757	15,351,949	16,351,949

CONSOLIDATED STATEMENT OF FINANCIAL POSITION IN BRIEF

KSEK	NOTE	30 SEP 2014	31 DEC 2013	30 SEP 2013	01 JAN 2013
ASSETS					
NON-CURRENT ASSETS					
GOODWILL		13,180	13,180	13,180	13,180
OTHER INTANGIBLE		21,638	21,229	20,619	21,713
TANGIBLE NON-CURRENT ASSETS		3,075	3,663	3,297	3,303
FINANCIAL NON-CURRENT ASSETS		721	708	570	100
DEFERRED TAX RECEIVABLES		360	372	323	252
TOTAL NON-CURRENT ASSETS		38,974	39,152	37,989	38,548
CURRENT ASSETS					
CURRENT ASSETS EXCLUDING CASH AND CASH EQUIVALENTS		9,710	8,607	9,994	9,698
CASH AND CASH EQUIVALENTS		3,052	13,008	4,325	2,822
TOTAL CURRENT ASSETS		12,762	21,615	14,319	12,520
TOTAL ASSETS		51,736	60,767	52,308	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		-2	-24	0	0
PROFITS BROUGHT FORWARD INCLUDING NET INCOME		-24,261	-12,600	-9,365	-10,375
EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS		30,835	40,424	30,092	29,082
EQUITY ATTRIBUTABLE TO HOLDINGS WITHOUT CONTROLLING INTERESTS		297	325	370	1,099
TOTAL EQUITY		31,132	40,749	30,462	30,181
NON-CURRENT LIABILITIES					
INTEREST-BEARING LIABILITIES		1,454	3,435	3,540	2,231
OTHER LIABILITIES		0	1,276	1,160	1,054
DEFERRED TAX LIABILITIES		2,171	2,409	2,490	2,974
CURRENT LIABILITIES					
INTEREST-BEARING LIABILITIES		3,321	996	3,011	1,360
OTHER LIABILITIES		13,658	11,902	11,645	13,268
TOTAL EQUITY AND LIABILITIES		51,736	60,767	52,308	51,068

CONSOLIDATED STATEMENT OF CASH FLOWS IN BRIEF

KSEK	NOTE	01 JULY 2014 - 30 SEP 2014	01 JULY 2013 - 30 SEP 2013	01 JAN 2014 - 30 SEP 2014	01 JAN 2013 - 30 SEP 2013
OPERATING ACTIVITIES					
EARNINGS BEFORE TAX		-2,453	-637	-9,880	662
OTHER OPERATING REVENUE		1,356	1,267	3,084	3,833
		-1,097	620	-6,796	4,495
PAID INCOME TAX		-94	-51	-316	-369
NET CASH FLOW FROM OPERATING ACTIVITIES					
BEFORE WORKING CAPITAL CHANGES		-1,191	569	-7,112	4,126
ADJUSTMENTS OF WORKING CAPITAL		-364	-20	-941	-646
CASH FLOW FROM OPERATING ACTIVITIES		-1,555	549	-8,053	3,480
CASH FLOW FROM INVESTING ACTIVITIES		-2,656	-942	-2,195	-3,306
CASH FLOW FROM FINANCING ACTIVITIES		751	1,903	292	1,329
CASH FLOW FOR THE PERIOD		-3,460	1,510	-9,956	1,503
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		6,512	2,815	13,008	2,822
CASH AND CASH EQUIVALENTS AS OF 30 JUNE		3,052	4,325	3,052	4,325

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 third quarter of 2014, 203 Brands included: Matklubben.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.

JULI-SEPTEMBER 2014 (2013)

	MYTASTE	SHOPELLO	203 BRANDS	203 CREATIVE	KONCERN- GEMENSAMT	JUSTERINGAR	KONCERNEN
EXTERNAL REVENUE	3,182 (2,641)	3,156 (2,071)	2,229 (4,428)	2,691 (2,260)	(0)		11,258 (11,400)
INTERNAL REVENUE	20 (0)	0 (0)	792 (552)	123 (219)	2,513 (2,250)	-3,448 (-3,021)	0 (0)
OPERATING PROFIT BEFORE DEPRECIATION (EBITDA)	-2,258 (-2,579)	-613 (193)	794 (2,749)	386 (-90)	308 (211)	356 (170)	-1,027 (654)
DEPRECIATION							-1,355 (-1,142)
FINANCIAL ITEMS, NET							-71 (-149)
GROUP EARNINGS BEFORE TAX							-2,453 (-637)

APRIL-JUNI 2014 (2013)

	MYTASTE	SHOPELLO	203 BRANDS	203 CREATIVE	KONCERN- GEMENSAMT	JUSTERINGAR	KONCERNEN
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	KONCERN- GEMENSAMT	JUSTERINGAR	KONCERNEN
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 2013

	MYTASTE	SHOPELLO	203 BRANDS	203 CREATIVE	KONCERN- GEMENSAMT	JUSTERINGAR	KONCERNEN
EXTERNA INTÄKTER	11,340	7,470	16,886	11,037	501		47,234
INTERNA INTÄKTER	67	0	2,588	861	7,829	- 11,345	0
RÖRESLERESULTAT FÖRE AVSKRIVNINGAR (EBITDA)	- 7,021	147	9,539	602	- 239	- 359	2,669
AVSKRIVNINGAR							- 4,519
FINANSIELLA POSTER, NETTO							- 578
KONCERNENS RESULTAT FÖRE SKATT							- 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.

