

# YEAR-END REPORT 2013

## 98 MILLION VISITORS DURING Q4 (+118 %)

The Board and the CEO of the 203 Web Group AB (public joint-stock company) hereby submit the following year-end report for the period of 1 January 2013 - 31 December 2013.

THE GROUP	Q4 2013	Δ	Q4 2012	Q1-Q4 2013	Δ	Q1-Q4 2012
Net turnover (kSEK)	12,013	<b>+ 15.4 %</b>	10,408	48,237	<b>+ 51.4 %</b>	31,865
Operating profits (EBITDA) (kSEK)	- 1,743	<b>n/a</b>	- 1,306	3,071	<b>n/a</b>	- 959
Operating margin (EBITDA) (%)	- 14.57	<b>n/a</b>	- 12.55	6.37	<b>n/a</b>	- 3.00
Earnings after tax (kSEK)	- 3,265	<b>n/a</b>	- 3,166	- 2,909	<b>n/a</b>	- 5,268
Earnings per share (SEK)	- 0.20	<b>n/a</b>	- 0.21	- 0.18	<b>n/a</b>	- 0.34

### MYTASTE Q4

- Continued intense product development with a focus on traffic, membership growth and improved user experience
- The largest food website in Spain, Poland and Sweden
- 36 million visitors in December, an increase of 125 % compared to December last year

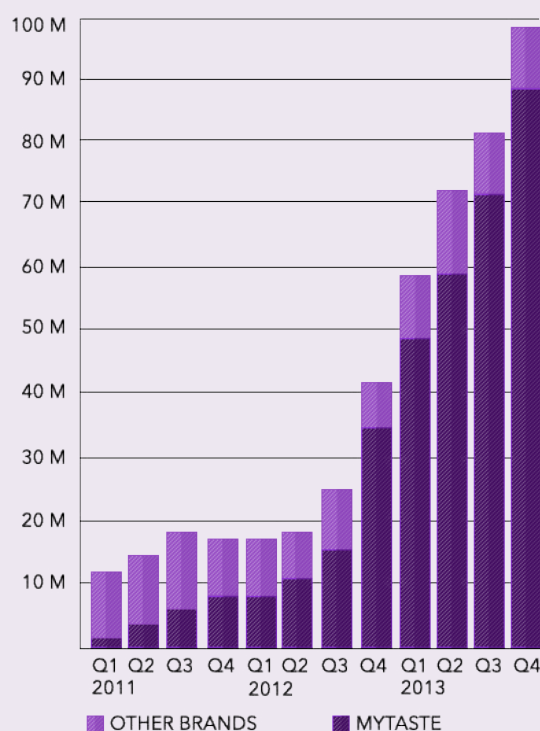
### THE GROUP Q4

- 98 million visitors during Q4, a 118% increase compared to Q4 last year
- Shopello was launched in Norway and Brazil, and the plan is for it to follow a similar establishment model as myTaste
- Diversification issue of SEK14.6m carried out, the issue was over-subscribed by 40 %
- Estimated development expenditures of SEK 4,830k with an effect of SEK 2,687k on operating profits

### AFTER THE PERIOD

- myTaste has 3.1 million members in total
- myTaste in 11 new countries, 48 countries in total
- Disposal of shares on Auctions Online Scandinavia AB for more than SEK 1 million

### TRAFFIC



MYTASTE: **36 M**  
VISITORS IN DEC  
(+ 125 % in 1 year)

MYTASTE: **3,1 M**  
SIGN-UP MEMBERS  
(+ 2,5 m during Q4)



## MESSAGE FROM THE CEO



We hereby present the fourth and last quarter of 2013, which is characterised by increased strong expansion for myTaste. We surpassed our traffic target of 35 million visitors for December with a margin of one million and have seriously set out on our journey from being a search engine to becoming a social platform for food enthusiasts. With 36 million visitors during December and more than 3.1 million registered members worldwide, we have truly consolidated our positions as one of the leading players in the global food market.

Revenue growth for the quarter appears to be weaker than usual, which is explained by the fact that we have chosen to remove close to 70% of the traditional marketable banner spaces on myTaste. This is an important part of product development for myTaste and it represents a short-term revenue decline in order instead to allow for long-term growth. The question of how to work towards advertisers is a hot topic on the international market at the moment, and we make every effort to be at the forefront. That is why we have chosen to strip away so much of the traditional advertising formats and eventually work with customised formats instead, where an advertiser's message can be integrated into our own content. Working with advertising in this way adds value for both advertisers and visitors; it furthermore enables us to strengthen our brand and gain loyal users. We are convinced that our concept is sustainable in the long term and that it will focus on myTaste as the product becomes dominant in its segment. That is precisely why we are confident in not capitalising on myTaste yet, but rather concentrating on making the site the strongest on the market.

We are also proud to announce that our Shopello site has now stepped outside of Sweden when it was launched in Norway and Brazil in January. The website is based on a highly scalable platform, which makes it suitable for similar global establishment models, as myTaste, to follow. We see an incredibly great potential in Shopello and regard it as a perfect addition to our global product portfolio.

I would like to take this opportunity to thank all of our talented employees for doing a truly great job every day. Working towards a common vision, as well as sensing the positive response from the market means that we are encouraged more now than ever to show what we can achieve.

Christoffer Johansson  
CEO  
203 Web Group AB

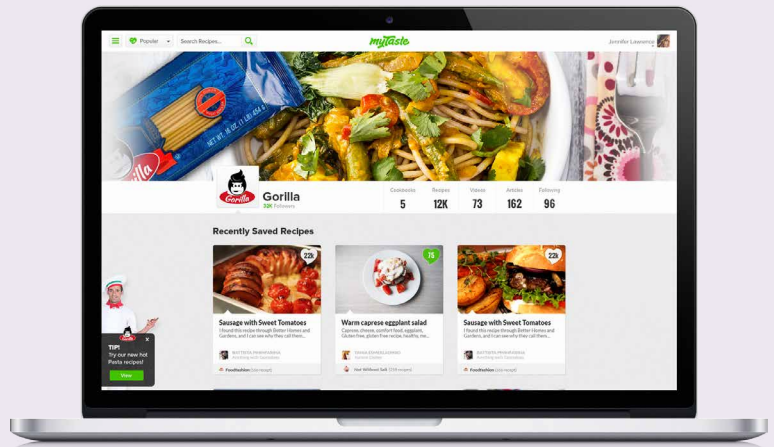


# MYTASTE

Our concept is to build the world's largest social network focusing on food and cooking.

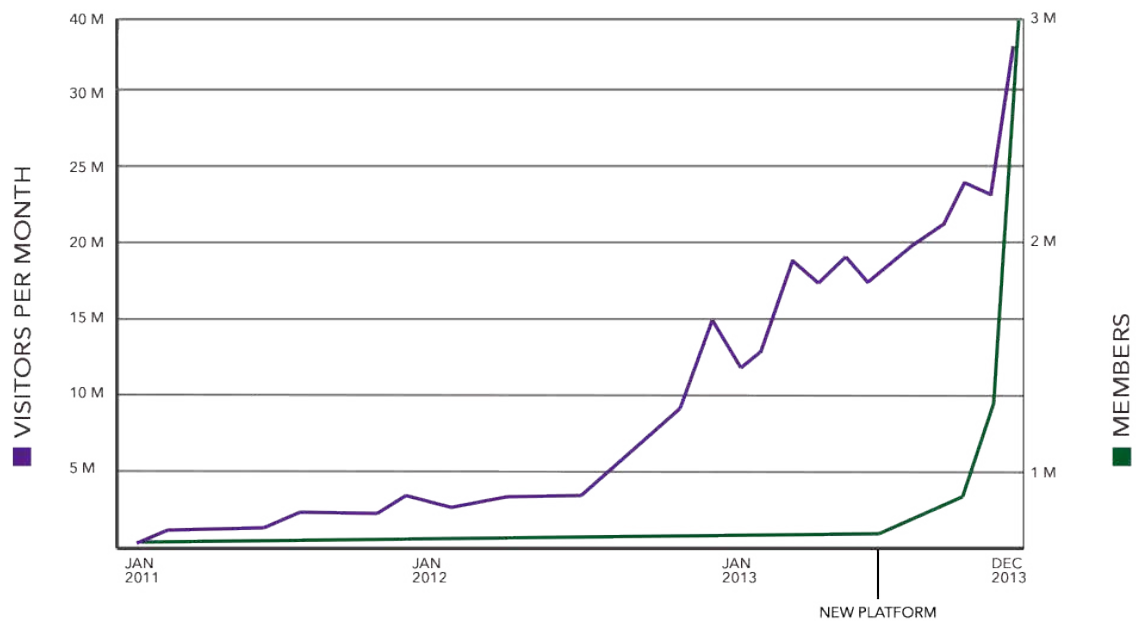
We want to offer people a place where they can find, save and share their favourite recipes in a simple and enjoyable way.

- Available in 48 countries
- 36 million visitors during December
- 125 % increase in traffic over December last year
- 3.1 million registered members



*myTaste*

## THE DEVELOPMENT AT MYTASTE



# THE MARKET FOR MYTASTE

## THE GLOBAL NETWORK

There is a great interest in food in the world and the market for those in the food industry is greater than ever. Through myTaste's scalable and language-independent platform, we have made it possible to launch the website in new countries in both a timely and cost-efficient manner, and gradually to build up a global social network. In this way, we have managed to take a global grip on a market in which, at present, our competitors only work locally.

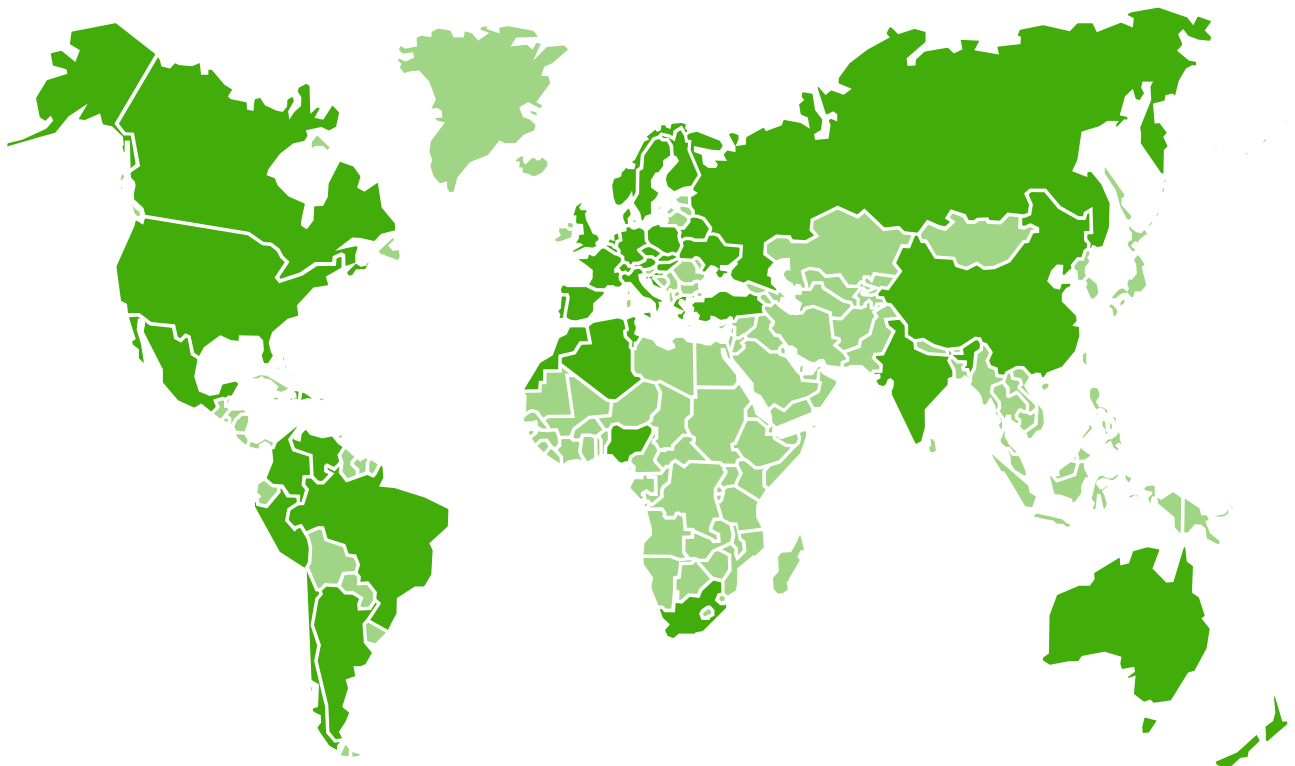
## THE TRAFFIC

The traffic on myTaste increases greatly every quarter. Although the website is one of the world's largest in its segment in terms of traffic, we have only scratched the surface of the traffic that is potentially out there. The total Internet population in the 48 countries where myTaste is established comprises 2.1 billion people. 36 million of these people visited the website in December, which is equivalent to 1.7% of the total. On the six most mature markets where the website has been established the longest, 15-25% of them are reached every month. On the Swedish domestic market, myTaste reaches 25% of Internet users, which includes more than 2.1 million unique visitors per month.

## ADVERTISING

Investments in online advertising are constantly increasing. In 2012, a total of SEK 2.2 billion was invested in online advertising in Sweden, which is an increase of more than 23 % from the previous year. Of the total advertising investments made in 2012 on the Swedish market, 24% consisted of online advertising, making it the leading form of advertising in Sweden. Sweden is a relatively mature market for online advertising, but the same clear trends are seen globally where an increasing share of advertising is gradually moving from other media to the Internet. One should also take into account the rapidly growing internet penetration in developing countries, which contributes to the exponential growth of online advertising. Approximately 29 of our 48 active countries have an internet penetration of less than 70%, which will most likely increase significantly in the next few years.

Source: TNS Sifo RM



■ Countries where MyTaste has been launched

# LAUNCHING MYTASTE

## PHASE 1: ESTABLISHMENT OF TRAFFIC

MyTaste is launched through the implementation of the platform in a new market, following preliminary in-depth studies. The website is customised for the language and advertising format in the specific market. Traffic is built up by various means in order to reach a critical level with regards to number of visitors and page views.

Currently, 37 of the 48 countries are at this phase. Illustrated example: Singapore

## PHASE 2: ESTABLISHMENT OF SALES

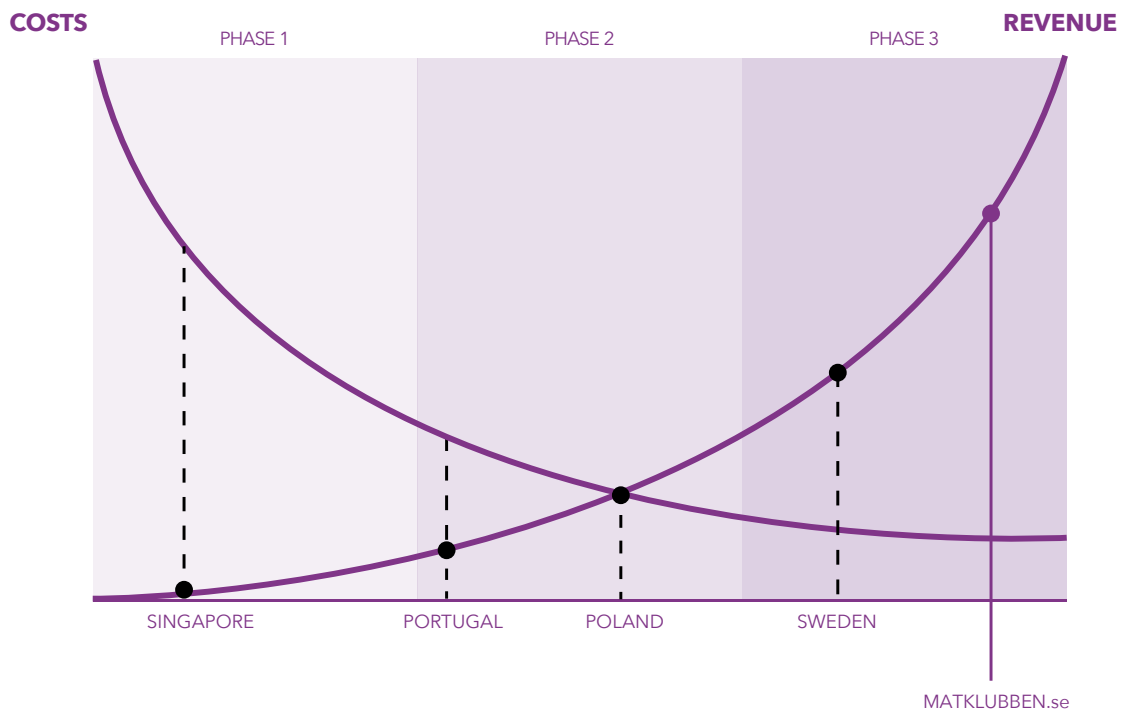
Once traffic reaches a critical level, the work with building a brand name and establishing sales begins. Cooperation with a suitable sales company is initiated on the local market in order to represent the trademark to advertisers.

Currently, 7 of the 48 countries are at this phase. Illustrated examples: Portugal, Poland

## PHASE 3: MONETISATION

Once the trademark has taken a strong position on the market and once sales have been established, the website starts becoming interesting to large advertisers and partners. That is when the website can start converting traffic into revenue.

Currently, 4 of the 48 countries are at this phase. Illustrated example: Sweden



The indications for the example countries in the graph are not exact, but they show the approximate relationship between costs and revenues per user in each market. At the far right in Phase 3, Matklubben.se is indicated in order to illustrate the relationship between revenue and expenditure on one of our most mature and profitable websites.

# SHOPELLO

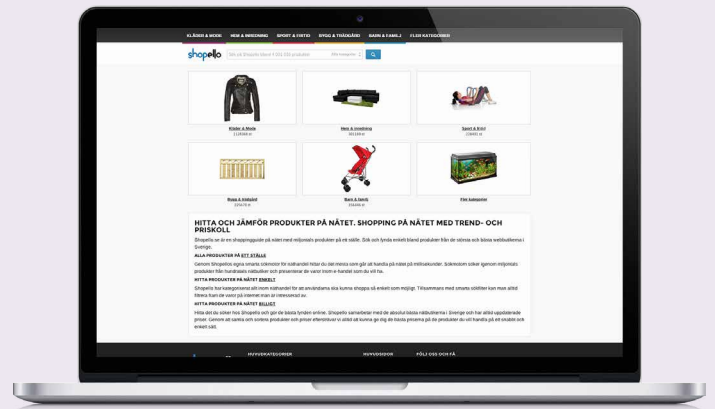
Shopello is a service for online shopping that allows visitors quickly and easily to find products offered by different online retailers.

- 320 affiliated shops
- 4 million products

## BUSINESS CONCEPT

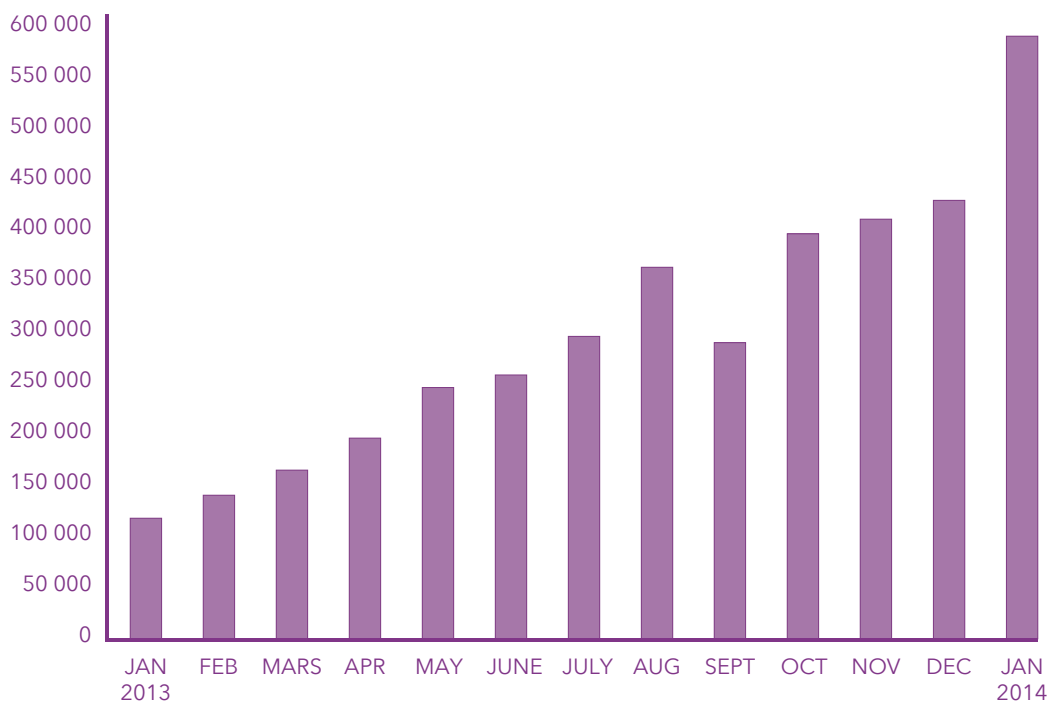
In addition to the search engine on its website, Shopello is made up of a network of partners who utilise and distribute Shopellos features in their own environments. Various partners, such as websites and blogs, can utilise Shopellos technology (API) and share in the revenues generated by clicks. Thus, Shopello's revenue model has a distribution far beyond the traffic on Shopello's website.

- 360% increase in the number of clicks since January 2013
- Established in Sweden, Norway and Brazil.
- The plan is that it follow a similar model to myTaste

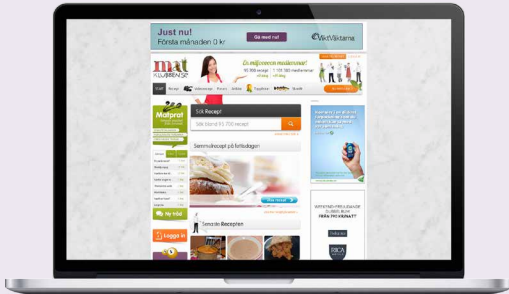


shopello

## NUMBER OF CLICKS ON SHOPELLO



# SWEDISH WEBSITES



## MATKLUBBEN.SE



### THE LARGEST FOOD COMMUNITY IN SWEDEN

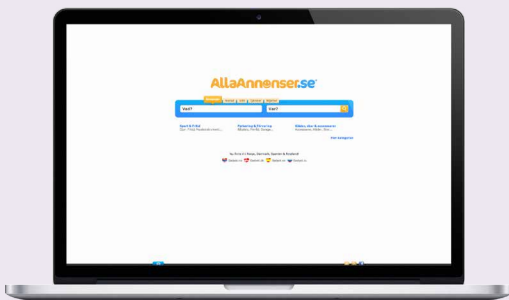
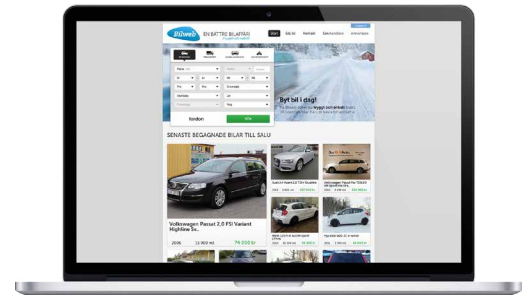
- More than 1.1 million registered members
- More than 95,000 user-created recipes
- 1.2 million visitors in December

## BILWEB.SE



### A SEARCH ENGINE FOR BUYING AND SELLING CARS

- 420 affiliated car dealers
- 25,000 items
- 150,000 visitors in December



## ALLAANNONSER.SE

### SEARCH ENGINE FOR BUYING AND SELLING

- Operates under the name Gadget in 6 other countries
- 1.6 million visitors in December



## 203CREATIVE.SE

### THE GROUP'S WEB AGENCY

- A full service agency for online strategic communication

203CREATIVE

203WEB  
GROUP



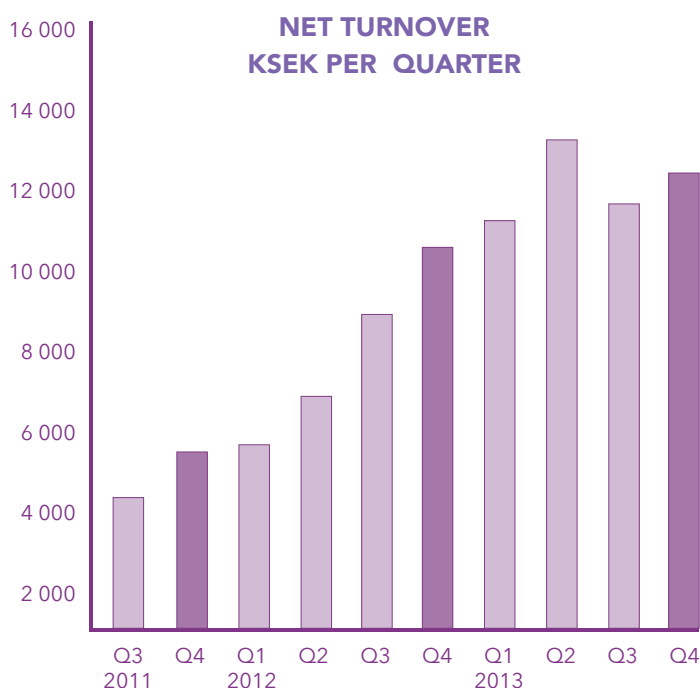
# FOURTH QUARTER 2013

## SALES AND EARNINGS

Net turnover for the quarter amounted to SEK 12,013k (10,408), which is an increase of 15.4% compared with the same period in the previous year. Operating profits before depreciation amounted to -SEK 1,743k (-1,306) which is a decrease of SEK 473k. Development costs for the quarter are estimated to be SEK 4,830k. Of these, SEK 2,687k were carried as expenses and have thus had an impact on the earnings figures. The remaining sum of SEK 2,143k has been capitalised under intangible non-current assets.

## LIQUIDITY AND FINANCING

On 31 December 2013 the Group's liquid assets amounted to SEK 13,008k (2,822). Unutilised overdraft credit facilities amounted to SEK 3,000k (770). Non-current liabilities to credit institutions amounted to SEK 1,813k (349).



## CASH FLOW (KSEK)

	1 Oct 2013 - 31 Dec 2013	1 Oct 2012 - 31 Dec 2012	1 Jan 2013 - 31 Dec 2013	1 Jan 2012 - 31 Dec 2012
Cash flow from operating activities	- 1,979	87	1,262	37
Cash flow from investment activities	- 2,829	- 1,293	- 6,747	- 11,038
Cash flow from financing activities	13,491	- 91	15,671	12,955
<b>NET CASH FLOW</b>	<b>8,683</b>	<b>- 1,297</b>	<b>10,186</b>	<b>1,954</b>
Cash and cash equivalents at the beginning of the period	4,325	4,119	2,822	868
Cash and cash equivalents at the end of the period	13,008	2,822	13,008	2,822

## SIGNIFICANT EVENTS

### DURING THE PERIOD

- Shopello was launched in Norway and Brazil. The plan is that it follow a similar establishment model as myTaste.
- A diversification issue was implemented in order to increase the number of shareholders and increase trade in shares. A total of 1 million new shares were issued, at a price of SEK 14.60. Hence, the company received SEK 14.6m prior to issue expenses, which will be used for the further development of MyTaste. With this, the share capital increased by SEK 0.5m.
- myTaste is the largest food website in Spain, Poland and Sweden.
- Receptindex i Sverige AB is now a fully owned subsidiary.

### AFTER THE PERIOD

- 11 new countries for myTaste, 48 countries in total.
- 3 million registered members in total on 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 down 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.



## HOLDINGS OF PARTIES WITH INSIGHT INTO THE COMPANY

As of 31 December, the shareholding of those with insight into the company and their share fluctuations during 2013.

Party with Insight	Holdings	Changes
Jonas Söderqvist	4,241,343	- 12,500 *
Andereass Friis	3,777,085	- 12,500 *
Henrik Kvik	4,000,000	0
Dieter Kalisch	65,161	+ 1,100
Allan Voreck	200	0
Christoffer Johansson	11,779	+ 11,627
Marie Nilsson	0	0
Helle Carlstedt	100	+ 100
Anders Hagenbjörk	0	0
Jan Sturzenbecker	13,590	+ 13,590
Oskar Elvhage	11,700	+ 11,700
Martin Lilliestierna	300	+ 300
Magnus Clarenbring	1,700	+ 1,700

\* According to established  
option agreement from 2011

## DIVIDENDS

At the Annual General Meeting, the board intends to propose that no dividends be paid for the 2013 fiscal year.

## UPCOMING REPORTING DATES

Annual report	5 May 2014
Annual General Meeting	27 May 2014
Interim report January - March 2014	27 May 2014
Interim Report April - June 2014	29 August 2014
Interim report July - September 2014	28 November 2014
Year-end report 2014	27 February 2015

## CONTACT INFORMATION

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## THE AUDITORS' REVIEW

This report has not been subject to review by the auditor of the company.

## CONSOLIDATED INCOME STATEMENT (TSEK)

	1 Oct 2013 - 31 Dec 2013	1 Oct 2012 - 31 Dec 2012	1 Jan 2013 - 31 Dec 2013	1 Jan 2012 - 31 Dec 2012
Net turnover	12,013	10,408	48,237	31,865
Work performed by the company for its own use and capitalised	2,143	839	4,353	1,753
Other operating revenue	103	607	1,605	693
	<b>14,259</b>	<b>11,854</b>	<b>54,195</b>	<b>34,311</b>
<i>Operating expenses</i>				
Direct costs	- 5,081	- 3,046	- 12,855	- 7,320
Other external costs	- 2,851	- 2,860	- 10,718	- 7,900
Personnel costs	- 7,939	- 7,243	- 27,259	- 20,008
Other operating costs	- 131	- 11	- 292	- 42
	<b>- 16,002</b>	<b>- 13,160</b>	<b>- 51,124</b>	<b>- 35,270</b>
<b>Operating profits (EBITDA)</b>	<b>- 1,743</b>	<b>- 1,306</b>	<b>3,071</b>	<b>- 959</b>
Depreciation and impairment of tangible and intangible non-current assets	- 1,505	- 2,296	- 5,879	- 5,248
<b>Operating profits</b>	<b>- 3,248</b>	<b>- 3,602</b>	<b>- 2,808</b>	<b>- 6,207</b>
<i>Earnings from financial investments</i>				
Interest revenues and similar profit/loss items	15	27	29	31
Interest expenses and similar profit/loss items	- 114	- 134	- 257	- 214
	- 99	- 107	- 228	- 183
<b>Earnings after financial items</b>	<b>- 3,347</b>	<b>- 3,709</b>	<b>- 3,036</b>	<b>- 6,390</b>
Changes deferred tax	80	523	334	730
Taxes on the earnings for the period	19	- 118	- 102	- 132
The minority share of the earnings for the period	- 17	138	- 105	524
<b>The earnings of the period</b>	<b>- 3,265</b>	<b>- 3,166</b>	<b>- 2,909</b>	<b>- 5,268</b>

## CONSOLIDATED BALANCE SHEET (KSEK)

ASSETS	31 Dec 2013	31 Dec 2012
<b>Non-current assets</b>		
<i>Intangible non-current assets</i>		
Capitalised development expenditure	14,853	14,112
Goodwill	11,350	13,180
Trademarks and similar rights	7,586	7,601
	<b>33,789</b>	<b>34,893</b>
<i>Tangible non-current assets</i>		
Equipment, tools, fixtures and fittings	1,406	642
	<b>1,406</b>	<b>642</b>
<i>Financial non-current assets</i>		
Other long-term receivables	708	100
	<b>708</b>	<b>100</b>
<b>Total non-current assets</b>	<b>35,903</b>	<b>35,635</b>
<b>Current assets</b>		
<i>Inventories etc.</i>		
Work in progress	9	0
<i>Current receivables</i>		
Accounts receivable - trade	4,138	4,781
Tax assets	139	88
Other receivables	321	1 814
Prepaid expenses and accrued revenues	4,301	3,536
	<b>8,908</b>	<b>10,219</b>
Cash and bank	13,008	2,822
<b>Total current assets</b>	<b>21,916</b>	<b>13,041</b>
<b>TOTAL ASSETS</b>	<b>57,819</b>	<b>48,676</b>

## CONSOLIDATED BALANCE SHEET (KSEK)

<b>EQUITY AND LIABILITIES</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
<b>Equity</b>		
<i>Restricted equity</i>		
Share capital	8,176	7,676
Restricted reserves	22	0
<i>Unrestricted capital</i>		
Unrestricted reserves	35,345	27,568
Net profit/loss for the year	- 2,909	- 5,268
	<b>40,634</b>	<b>29,976</b>
<i>Minority shareholding</i>	<b>325</b>	<b>1,099</b>
<i>Provisions</i>		
Deferred tax liabilities	2 601	2 974
	<b>2,601</b>	<b>2,974</b>
<b>Non-current liabilities</b>		
Liabilities to credit institutions	1,813	349
	<b>1,813</b>	<b>349</b>
<b>Current liabilities</b>		
Invoiced income not yet recognised	152	22
Bank overdraft facility	0	730
Liabilities to credit institutions	617	309
Accounts payable	2,584	1,755
Current tax liabilities	121	261
Other liabilities	4,504	7,501
Accrued expenses and prepaid revenues	4,468	3,700
	<b>12,446</b>	<b>14,278</b>

## PARENT COMPANY INCOME STATEMENT (KSEK)

	1 Oct 2013 - 31 Dec 2013	1 Oct 2012 - 31 Dec 2012	1 Jan 2013 - 31 Dec 2013	1 Jan 2012 - 31 Dec 2012
Net turnover	2,307	1,520	8,371	6,396
Other operating revenues	814	1,315	3,929	1,315
	<b>3,121</b>	<b>2,835</b>	<b>12,300</b>	<b>7,711</b>
<i>Operating expenses</i>				
Direct costs	- 938	- 996	- 4,142	- 1,585
Other external costs	- 1,210	- 1,242	- 3,646	- 3,668
Personnel costs	- 1,587	- 975	- 4,752	- 3,173
Depreciation and impairment of tangible and intangible non-current assets	- 58	- 36	- 173	- 129
	<b>- 3,793</b>	<b>- 3,249</b>	<b>- 12,713</b>	<b>- 8,555</b>
<b>Operating profits</b>	<b>- 672</b>	<b>- 414</b>	<b>- 413</b>	<b>- 844</b>
<i>Earnings from financial investments</i>				
Earnings from shares in Group companies	0	- 2,200	0	- 2,200
Interest revenues and similar profit/loss items	126	117	479	389
Interest expenses and similar profit/loss items	- 34	0	- 66	- 9
	<b>92</b>	<b>- 2,083</b>	<b>413</b>	<b>- 1,820</b>
<b>Earnings after financial items</b>	<b>- 580</b>	<b>- 2,497</b>	<b>0</b>	<b>- 2,664</b>
<i>Appropriations</i>				
Group contributions received	228	0	228	0
<b>Earnings after appropriations</b>	<b>- 352</b>	<b>- 2,497</b>	<b>228</b>	<b>- 2,664</b>
<b>Earnings before tax</b>	<b>- 352</b>	<b>- 2,497</b>	<b>228</b>	<b>- 2,664</b>
<b>Net profit</b>	<b>- 352</b>	<b>- 2,497</b>	<b>228</b>	<b>- 2,664</b>

## PARENT COMPANY BALANCE SHEET (KSEK)

ASSETS	31 Dec 2013	31 Dec 2012
<b>Non-current assets</b>		
<i>Intangible non-current assets</i>		
Capitalised development expenditure	148	267
	<b>148</b>	<b>267</b>
<i>Tangible non-current assets</i>		
Cost of improvements to property owned by another party	315	0
Equipment, tools, fixtures and fittings	151	101
	<b>466</b>	<b>101</b>
<i>Financial non-current assets</i>		
Shares in Group companies	26,442	25,297
Participations in associated companies	500	0
	<b>26,942</b>	<b>25,297</b>
<b>Total non-current assets</b>	<b>27,556</b>	<b>25,665</b>
<b>Current assets</b>		
<i>Current receivables</i>		
Accounts receivable - trade	45	0
Receivables from Group companies	18,066	12,862
Tax assets	0	0
Other receivables	10	810
Prepaid expenses and accrued revenues	1,368	1,572
	<b>19,489</b>	<b>15,244</b>
<i>Cash and bank</i>	8,782	385
<b>Total current assets</b>	<b>2, 271</b>	<b>15,629</b>
<b>TOTAL ASSETS</b>	<b>55,827</b>	<b>41,294</b>

## PARENT COMPANY BALANCE SHEET (KSEK)

<b>EQUITY AND LIABILITIES</b>	<b>31 Dec 2013</b>	<b>31 Dec 2012</b>
<i>Equity</i>		
<i>Restricted equity</i>		
Share capital	8,176	7,676
	<b>8,176</b>	<b>7,676</b>
<i>Unrestricted capital</i>		
Accumulated profit/loss	40,671	30,244
Net profit/loss for the year	228	- 2,664
	<b>40,899</b>	<b>27,580</b>
	<b>49,075</b>	<b>35,256</b>
<i>Current liabilities</i>		
Accounts payable	1,304	406
Liabilities to Group companies	1,715	1,775
Other liabilities	2,963	3,088
Tax liabilities	10	5
Accrued expenses and prepaid revenues	760	764
	<b>6,752</b>	<b>6,038</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>55,827</b>	<b>41,294</b>

## KEY RATIOS

### The Group

	1 Oct 2013 - 31 Dec 2013	1 Oct 2012 - 31 Dec 2012	1 Jan 2013 - 31 Dec 2013	1 Jan 2012 - 31 Dec 2012
<b>Profitability and return on capital employed</b>				
Operating profits (EBITDA) (kSEK)	- 1,743	- 1,306	3,071	- 959
Operating margin (EBITDA) (%)	neg	neg	6,37	neg
Profit margin (%)	neg	neg	neg	neg
Return on equity (%)	neg	neg	neg	neg
<b>Capital structure</b>				
Equity (kSEK)	40,634	29,976	40,634	29,976
Balance Sheet Total (kSEK)	57,819	48,676	57,819	48,676
Capital employed (kSEK)	43,764	32,464	43,764	32,464
Equity ratio (%)	70.28	61.58	70.28	61.58
<b>Liquidity</b>				
Cash and cash equivalents (kSEK)	13,008	2,822	13,008	2,822
<b>Employees</b>				
Number of employees	70	62	70	62
<b>Data per share</b>				
Number of shares	16,351,949	15,351,949	16,351,949	15,351,949
Earnings per share (SEK)	neg	neg	neg	neg
Equity per share (SEK)	2.48	1.95	2.48	1.95
Share price (SEK)	14.25	4.50	14.25	4.50
Share price / Equity per share (coefficient)	5.75	2.31	5.75	2.31



## DEFINITION OF KEY RATIOS

### Profitability and return on capital employed

Operating profits (EBITDA)	Earnings before financial costs, tax and depreciation
Operating marginal (EBITDA)	Operating profits (EBITDA) in percentage of the net turnover
Profit margin	The earnings of the period after tax as a percentage of the net turnover
Return on equity	The earnings of the period after tax as a percentage of the average equity

### Capital structure

Equity	Equity at the end of the period
Balance sheet total	Total assets or total liabilities and equity
Capital employed	Balance sheet total reduced by non-interest-bearing liabilities, including deferred tax
Equity ratio	Equity as a percentage of the balance sheet total

### Liquidity

Liquid assets	Bank balances and cash
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### Employees

Number of employees	Number of employees at the end of the period
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### Data per share

Number of shares	Outstanding shares at the end of period
Earnings per share	The earnings of the period divided by number of shares
Equity per share	Equity divided by number of shares
Share price	The closing price of the reporting period on the last day of trading
Share price / Equity per share	Share price divided by equity / share

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