

INTERIM REPORT JAN - SEPT 2013

81 MILLION VISITORS DURING Q3 (+ 259%)

THE BOARD AND THE CEO OF THE 203 WEB GROUP AB (PUBL) HEREBY SUBMIT THE FOLLOWING INTERIM REPORT FOR THE PERIOD OF 1 JANUARY 2013 - 30 SEPTEMBER 2013.

THE GROUP	Q3 2013	Δ	Q3 2012	Q1-Q3 2013	Δ	Q1-Q3 2012
Net turnover (TSEK)	11,890	+ 34.0 %	8,873	36,224	+ 68.8 %	21,457
Operating profit/loss (EBITDA) (TSEK)	1,221	n/a	- 37	4,814	+ 1,287.3 %	347
Operating margin (EBITDA) (%)	10.27	n/a	- 0.42	13.29	+ 720.4 %	1.62
Earnings after tax (TSEK)	- 394	n/a	- 805	356	n/a	- 2,102
Earnings per share (SEK)	- 0.03	n/a	- 0.05	0.02	n/a	- 0.14

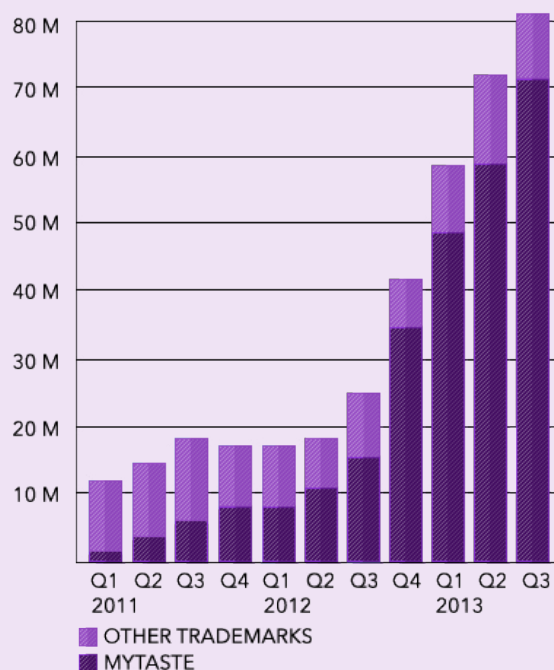
GENERAL

- Issue oversubscribed by 40%, providing the company with MSEK 14.6 before issue expenses
- The founder of Wrapp, Aage Reerslev elected to the Board
- 81 million visitors during Q3, a 259 % increase compared to Q3 last year
- MSEK 2.1 in development expenditure with an operating profit/loss effect of just over MSEK 0.8

MYTASTE

- New global trademark as well as a new platform
- 27 million visitors in October, a 334% increase compared to October last year
- More than 1.5 million registered members
- More than 20,000 new members every day
- 2 new markets launched, 39 in total

TRAFFIC



MYTASTE: **27 M**
VISITORS IN OCTOBER
(+ 334 % in 1 year)

MYTASTE: **1,6 M**
MEMBERS
(+ 20 000 per day)



MESSAGE FROM THE CEO



We have now stepped into yet another new stage of our development. This spring we demonstrated the profitability of our business model, which now gives us the confidence to accelerate forwards even faster. Furthermore, we have recently brought in new capital in the company, which allows us to expand at the pace we want.

In a short period of time we have launched MyTaste worldwide and we currently have a presence in 39 markets. The establishment model for MyTaste is divided into three phases: establishment of traffic, establishment of sales, and capitalisation. As of yet, 35 markets are in the establishment phases, which means that we currently only capitalise on 4 of our 39 markets. The remaining markets are still in the investment phases, where we are creating revenue opportunities for the future.

We are facing a period of rapid expansion and internationalisation, which is reflected in everything we do. During the autumn we launched the common trademark MyTaste for all former Hittarecept websites and in doing so, took a totally new approach to the global trademark. MyTaste is now the world's second largest food site with over 27 million visitors in October and 1.6 million registered members, a figure that is increasing by more than 20,000 new members every day. If we continue to increase the conversion of members according to our objective, we will have more than 15 million members at the end of 2014 and will then have the world's largest membership base within food. Our goal is to successively corner the digital food market and build a social food network currently without its equal.

During the summer and autumn an increasing number of people have taken notice of us. Of course it is great that what we have struggled to build for several years has now also been noted by others. During October, we implemented a diversification issue with the aim of increasing the number of shareholders and thus promoting the trade of our shares. The issue was oversubscribed by 40%, which indicates that there is great interest in our company in the market. All the capital gains we have made will go to the further development of MyTaste, which is by far our greatest investment to date.

The third quarter of the year is historically a slow period financially, as large parts of the media industry in Sweden lay low during the summer months. Due to the fact that the majority of our advertising still takes place in the Swedish market, the turnover was significantly burdened in this period. Despite this, there is a stable increase of parameters such as traffic and conversion of members, which strengthens the underlying profitability of MyTaste. As our operations are globalised, we will be able to achieve a more even revenue stream, bringing stability and security to the business.

With the final push for 2013 ahead of us, we are more ready than ever. We know that our model is profitable and that we have all the means to succeed in achieving what we want. Now we will do our utmost to take MyTaste to the very top!

Christoffer Johansson
CEO
203 Web Group AB (publ)



MYTASTE

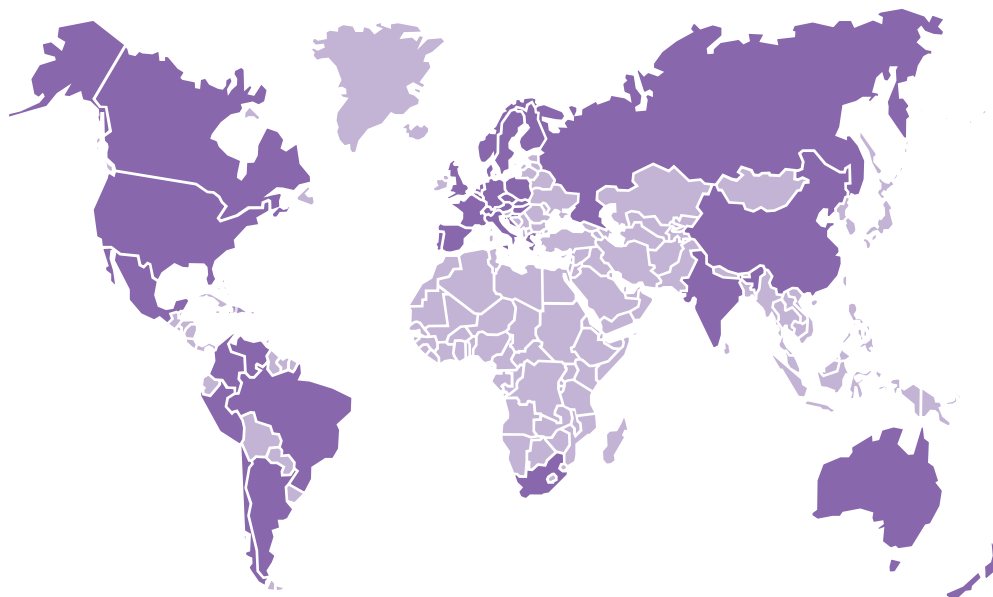
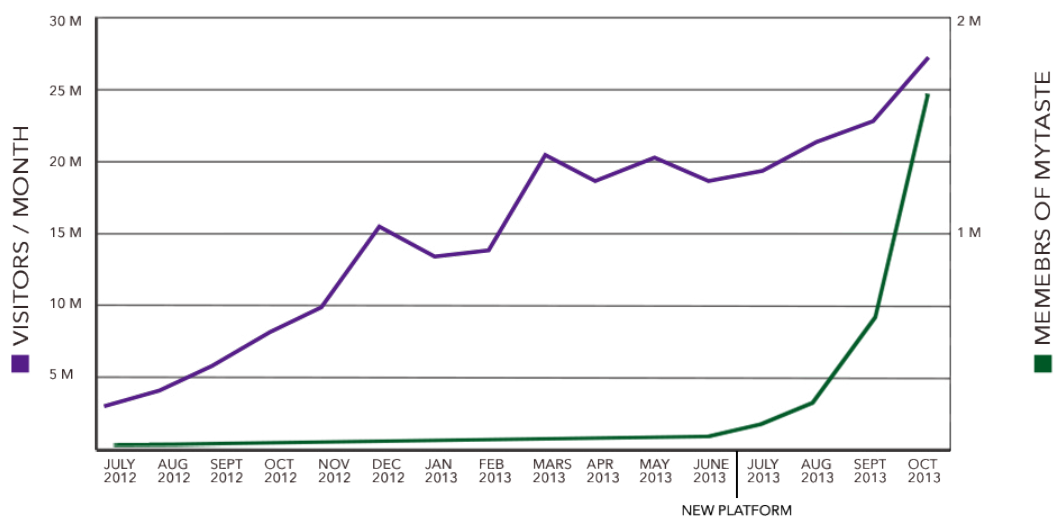
MYTASTE

The world's second largest recipe website

- Established on 39 markets worldwide
- 27 million visitors in October
- 381% increase in traffic compared to Q3 last year
- 1.6 million registered members
- 20,000 new members per day
- More than 5,200,000 recipes from food websites and food blogs
- More than 19,000 affiliated food blogs



TRAFFIC AND MEMBERS ON MYTASTE



■ Countries where MyTaste has been launched

THE LAUNCH PROCESS OF MYTASTE

Phase 1: Establishment of traffic: MyTaste is launched through implementation of the platform in a new market, following preliminary in-depth studies. The website is adapted according to language and advertising format in the specific market where automatically generated advertising revenue is then initiated. Traffic is constructed by various means in order to reach a critical level with regards to visitors and page views.

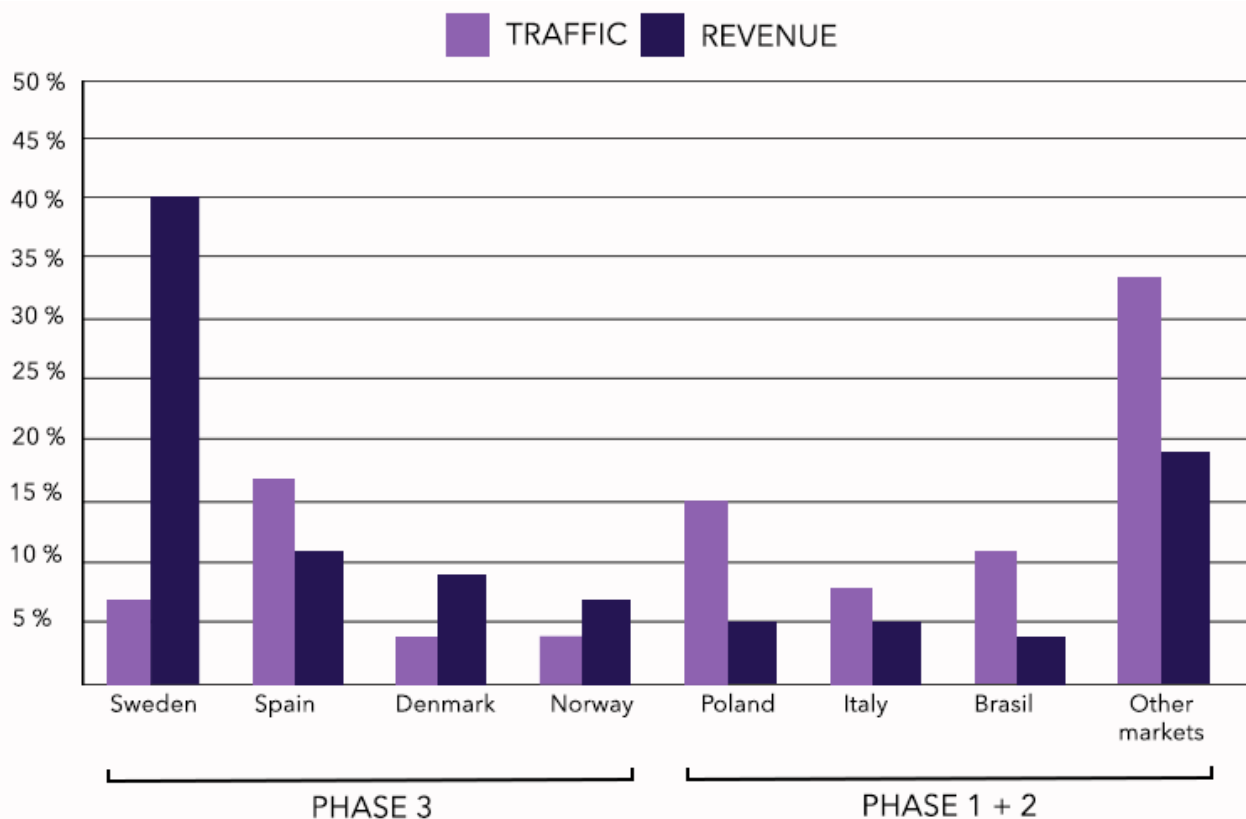
Currently, 31 of the 39 markets are in this phase.

Phase 2: Establishment of sales: Once traffic reaches a critical level, the work with brand building and establishment of sales begins. Cooperation is initiated with a suitable sales company on the local market in order to represent the trademark to advertisers.

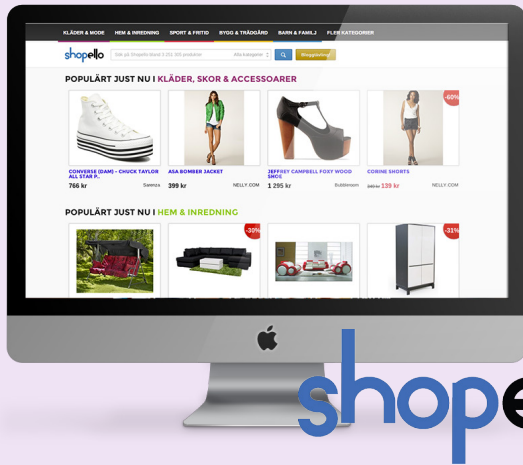
Currently 4 of the 39 markets are in this phase.

Phase 3: Capitalisation: Once the trademark has taken a strong position in the market and sales have been established, the website starts to become interesting for large advertisers and partners. Now the site can seriously start converting traffic into revenue.

Currently, 4 of the 39 markets are in this phase. Sweden is the country that has been in phase 3 the longest. Norway and Denmark have come a long way, while Spain has just stepped into this phase. See the line-up below.



SHOPELLO



SHOPELLO.SE Search engine for shopping

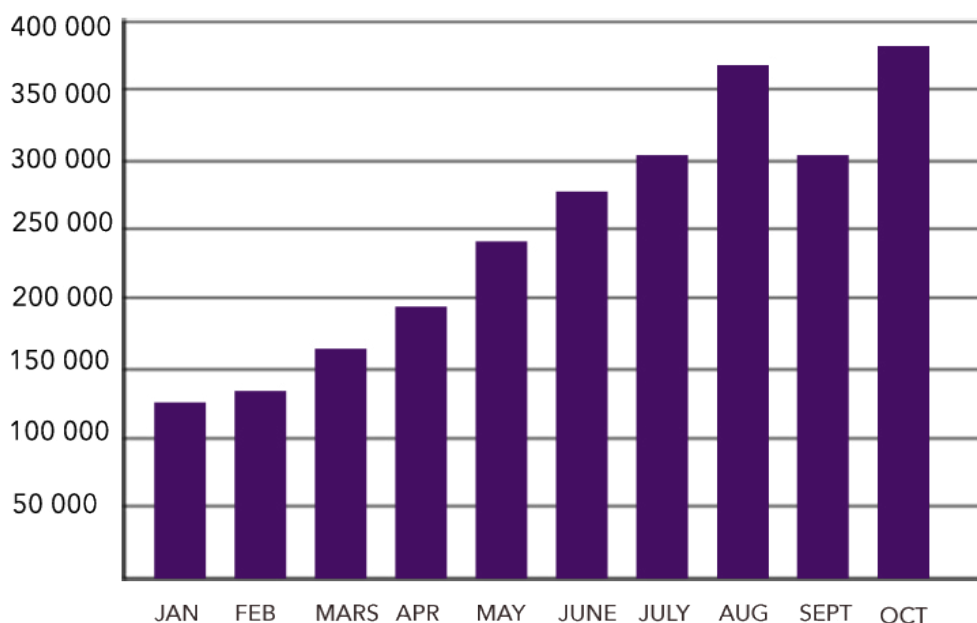
Shopello is a search engine for online shopping that allows visitors to quickly and easily find products from different online retailers.

SHOPELLO'S NETWORK:

Apart from our own website Shopello.se, other players are also offered the opportunity to take part in the search engine in their own website environment. Shopello is composed of a network created by linking these different environments. The network generates revenue by charging per click, from the search engine to the various online shops.

- 300 affiliated shops
- 3.5 million products
- More than 350,000 clicks in October
- Scheduled international launch

NUMBER OF CLICKS IN SHOPELLO'S NETWORK IN 2013



OTHER TRADEMARKS

MATKLUBBEN.SE

The largest food community in Sweden

- More than 1 million registered members
- More than 95,000 user generated recipes
- 1 million visitors per month



Bilweb



BILWEB.SE

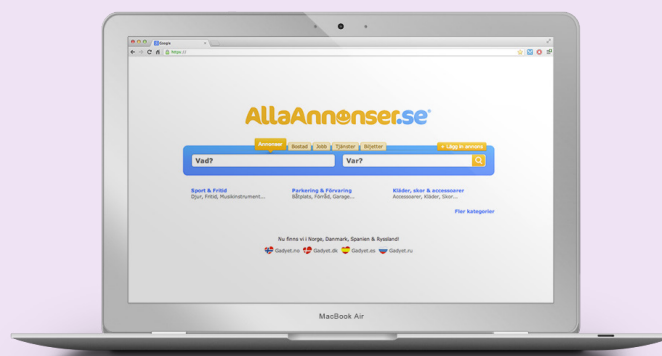
A classical search engine for the buying and selling of cars

- 415 affiliated car dealers
- 20,000 items

ALLAANNONSER.SE

Search engine for buying and selling

- Operates under the name Gadyet in 6 other countries
- 1.6 million visitors per month



AllaAnnonser.se

THE THIRD QUARTER OF 2013

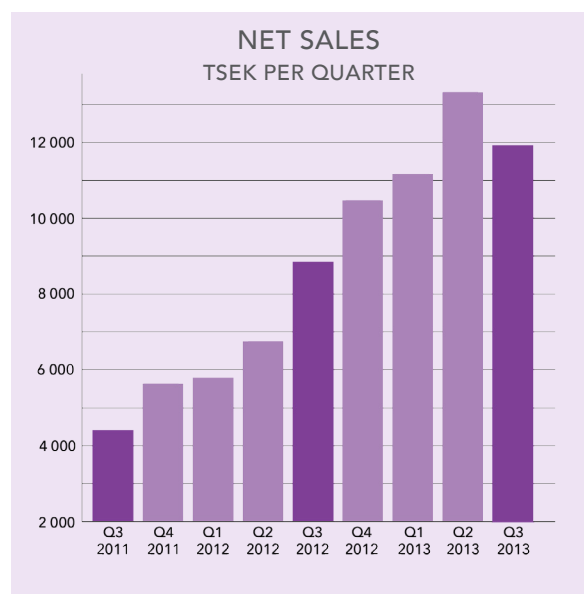
Sales and Earnings

The net turnover for the quarter amounted to TSEK 11,890 (8,873), which is an increase of 34% compared to the same period the previous year. Operating profits prior to depreciation amounted to TSEK 1,221 (- 37) which is an increase of TSEK 1,258.

Development costs for the quarter are estimated to amount to kTEK 2,100. out of which TSEK 824 has been expensed and thus affected the results. The remaining TSEK 1,276 has been capitalised under intangible non-current assets.

Liquidity and Financing

On 30 September 2013, the Group's liquid assets amounted to TSEK 4,325 (4,119). Unutilised overdraft credit amounted to TSEK 943 (1,500). Long-term liabilities to credit institutions amounted to TSEK 1,913 (440).



CASH FLOW (TSEK)

	1 July 2013 -30 Sept 2013	1 July 2012 -30 Sept 2012	1 Jan 2013 -30 Sept 2013	1 Jan 2012 -30 Sept 2012
Cash flow from operating activities	711	- 1,733	3,241	- 86
Cash flow from investment activities	- 1,468	- 1,400	- 3,918	- 9,756
Cash flow from financing activities	2,267	- 138	2,180	13,093
Period cash flow	1,510	- 3,271	1,503	3,251
Cash and cash equivalents at the beginning of the period	2,815	7,390	2,822	868
Cash and cash equivalents at the end of the period	4,325	4,119	4,325	4,119

SIGNIFICANT EVENTS

DURING THE PERIOD

- Aage Reerslev, the founder of Wrapp, was elected as a member of the Board. The board now consists of five ordinary members. Aage will among other things bring valuable expertise in international relations, particularly in the US market.
- The Kontosmart.se website and associated activities was divested due to a streamlining of the product portfolio.
- MyTaste (former Hittarecept globally) was given a new platform which increased the traffic as well as the quality of the visitors.

AFTER THE PERIOD

- 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 are issued, at a price of SEK 14.6. Hence, the company will receive MSEK 14.6 prior to issue expenses, which will be used for further development of MyTaste. With this, the share capital increases by MSEK 0.5.
- The new name MyTaste was launched for all Hittarecept websites worldwide. In doing so, a new approach is taken to the global brand.
- MyTaste has exceeded 1.6 million registered members and continues to grow with over 20,000 new members each day. The conversion of members is considered the most essential measure for value creation in social networks.
- MyTaste is now Spain's largest food website.

GROUP INCOME STATEMENT (TSEK)

	1 July 2013 -30 Sept 2013	1 July 2012 -30 Sept 2012	1 Jan 2013 -30 Sept 2013	1 Jan 2012 -30 Sept 2012
Net turnover	11,890	8,873	36,224	21,457
Work performed by the company for its own use and capitalised	819	780	2,210	914
Other operating revenue	590	- 18	1,502	86
	13,299	9,635	39,936	22,457
<i>Operating expenses</i>				
Directs costs	- 3,144	- 1,690	- 7,774	- 4,274
Other external costs	- 2,603	- 2,488	- 7,867	- 5,102
Personnel costs	- 6,170	- 5,472	- 19,320	- 12,765
Other operating costs	- 161	- 22	- 161	31
	- 12,078	- 9,672	- 35,122	- 22,110
Operating profit/loss (EBITDA)	1,221	- 37	4,814	347
Depreciation and impairment of tangible and intangible non-current assets	- 1,480	- 1,313	- 4,374	- 2,952
Operating profit/loss	- 259	- 1,350	440	- 2,605
<i>Earnings from financial investments</i>				
Interest revenue and similar profit/loss items	4	- 1	14	4
Interest expenses and similar profit/loss items	- 86	- 24	- 143	- 80
	- 82	- 25	- 129	- 76
Earnings after financial profit/loss items	- 341	- 1,375	311	- 2,681
Change in deferred tax	81	99	254	207
Tax of the earnings for the period	- 39	95	- 121	- 14
The minority share of the earnings for the period	- 95	376	- 88	386
The earnings for the period	- 394	- 805	356	- 2,102

CONSOLIDATED BALANCE SHEET (TSEK)

ASSETS	30 Sept 2013	30 Sept 2012
<i>Non-current assets</i>		
<i>Intangible non-current assets</i>		
Capitalised development expenditure	13,815	22,471
Goodwill	11,848	13,575
Trademarks and similar rights *	7,399	0
	33,062	36,046
<i>Tangible non-current assets</i>		
Equipment, tools, fixtures and fittings	1,033	557
	1,033	557
<i>Financial non-current assets</i>		
Other investments held as fixed assets	500	1
Other long-term receivables	70	0
	570	1
Total non-current assets	34,665	36,604
<i>Current assets</i>		
<i>Current receivables</i>		
Account receivables - trade	5,635	7,078
Tax assets	179	257
Other receivables	1,179	1,766
Prepaid expenses and accrued revenues	3,349	3,166
	10,342	12,267
Cash and bank	4,325	4,119
Total current assets	14,667	16,386
TOTAL ASSETS	49,332	52,990

* Between financial periods, a reclassification was made from "Capitalised development expenditure" to "Trademarks and similar rights". Total reclassification during 2012 amounted to TSEK 7,541, of which TSEK 7,379 is attributable to 30 September 2012.

CONSOLIDATED BALANCE SHEET (TSEK)

EQUITY AND LIABILITIES	30 Sept 2013	30 Sept 2012
<i>Equity</i>		
Share capital	7,676	7,676
Unregistered share capital	0	0
Unrestricted capital	22,339	27,417
Accumulated earnings	356	- 2,102
	30,371	32,991
<i>Minority interest</i>	370	1,265
<i>Provisions</i>		
Deferred tax liabilities	2,621	3,570
	2,621	3,570
<i>Non-current liabilities</i>		
Liabilities to credit institutions	1,913	440
	1,913	440
<i>Current liabilities</i>		
Invoiced income not yet recognised	217	242
Bank overdraft facility	2,057	0
Liabilities to credit institutions	617	310
Accounts payable	1,904	4,811
Current tax liabilities	104	186
Other liabilities	4,979	5,280
Accrued expenses and prepaid revenues	4,179	3,895
	14,057	14,724
TOTAL EQUITY AND LIABILITIES	49,332	52,990

PARENT COMPANY INCOME STATEMENT (TSEK)

	1 July 2013 -30 Sept 2013	1 July 2012 -30 Sept 2012	1 Jan 2013 -30 Sept 2013	1 Jan 2012 -30 Sept 2012
Net turnover	2,276	1,807	6,064	4,876
Other operating revenues	1,084	0	3,115	0
	3,360	1,807	9,179	4,876
<i>Operating expenses</i>				
Direct costs	- 1,043	- 189	- 3,204	- 589
Other external costs	- 927	- 977	- 2,436	- 2,426
Personnel costs	- 1,179	- 855	- 3,165	- 2,198
Depreciation and impairment of tangible and intangible non-current assets	- 40	- 33	- 115	- 93
	- 3,189	- 2,054	- 8,920	- 5,306
Operating profit/loss	171	- 247	259	- 430
<i>Earnings from financial investments</i>				
Interest revenue and similar profit/loss items	110	97	353	272
Interest expenses and similar profit/loss items	- 15	0	- 32	- 9
	95	97	321	263
Earnings after financial items	266	- 150	580	- 167
<i>Appropriations</i>				
Group contributions received	0	0	0	0
	0	0	0	0
Earnings after appropriations	266	- 150	580	- 167
Earnings before tax	266	- 150	580	- 167
Earnings for the period	266	- 150	580	- 167

PARENT COMPANY BALANCE SHEET (TSEK)

ASSETS	30 Sept 2013	30 Sept 2012
<i>Non-current assets</i>		
<i>Intangible non-current assets</i>		
Capitalised development expenditure	178	296
	178	296
<i>Tangible non-current assets</i>		
Equipment, tools, fixtures and fittings	127	66
	127	66
<i>Financial non-current assets</i>		
Shares in Group companies	26,159	22,214
Participations in associated companies	500	0
	26,659	22,214
Total non-current assets	26,964	22,576
<i>Current assets</i>		
<i>Current receivables</i>		
Accounts receivable - trade	0	1,100
Receivables at Group companies	11,912	17,167
Tax assets	4	0
Other receivables	847	812
Prepaid expenses and accrued revenues	901	1,761
	13,664	20,840
<i>Cash and bank</i>	1,325	1,035
Total current assets	14,989	21,875
TOTAL ASSETS	41,953	44,451

PARENT COMPANY BALANCE SHEET (KSEK)

EQUITY AND LIABILITIES	30 Sept 2013	30 Sept 2012
<i>Equity</i>		
<i>Restricted equity</i>		
Share capital	7,676	7,676
	7,676	7,676
<i>Unrestricted capital</i>		
Capitalised earnings	27,580	30,244
Accumulated earnings	580	- 167
	28,160	30,077
	35,836	37,753
<i>Current liabilities</i>		
Accounts payable	578	262
Liabilities to Group companies	1,654	2,012
Other liabilities	3,260	3,420
Tax liabilities	0	0
Accrued expenses and prepaid revenues	625	1,004
	6,117	6,698
TOTAL EQUITY AND LIABILITIES	41,953	44,451



KEY RATIOS

The Group

	1 July 2013 -30 Sept 2013	1 July 2012 -30 Sept 2012	1 Jan 2013 -30 Sept 2013	1 Jan 2012 -30 Sept 2012
Profitability and return on capital employed				
Operating profit/loss (EBITDA) (TSEK)	1,221	- 37	4,814	347
Operating margin (EBITDA) (%)	10.27	neg	13.29	1.62
Profit margin (%)	neg	neg	0.98	neg
Return on equity (%)	neg	neg	1.18	neg
Capital structure				
Equity (TSEK)	30,371	32,991	30,371	32,991
Balance sheet total (TSEK)	49,332	52,990	49,332	52,990
Capital employed (TSEK)	35,826	35,006	35,826	35,006
Equity ratio (%)	61.56	62.30	61.56	62.30
Liquidity				
Liquid assets (TSEK)	4,325	4,119	4,325	4,119
Employees				
Number of employees	57	47	57	47
Data per share				
Number of shares	15,351,949	15,351,949	15,351,949	15,351,949
Earnings per share (SEK)	- 0.03	- 0.05	0.02	- 0.14
Equity per share (SEK)	1.98	2.15	1.98	2.15
Share price (SEK)	15.9	4.00	15.9	4.00
Share price/Equity per share (number of times)	8.03	1.86	8.03	1.86

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	Adjusted equity in 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

Upcoming reporting dates

Year-end report 2013 - 28 February 2014

The auditors' review

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

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