catenamedia

INTERIM REPORT SECOND QUARTER 2019

Interim Report January – June 2019

APRIL – JUNE 2019
(COMPARED WITH APRIL – JUNE 2018)

- Revenues decreased by 9 percent and totalled EUR 23.7m (26.1)
- EBITDA decreased by 22 percent and totalled EUR 9.4m (12.1), corresponding to an EBITDA margin of 40 percent (46)
- Adjusted EBITDA excluding non-recurring costs decreased by 21 percent and totalled EUR 9.5m (12.1), corresponding to an adjusted EBITDA margin of 40 percent (46)
- Net cash generated from operating activities amounted to EUR 10.4m (8.7)
- New Depositing Customers (NDCs) totalled 99,981 (140,154), a decrease of 29 percent
- Earnings per share amounted to EUR 0.12 (0.10) before dilution
- Earnings per share amounted to EUR 0.11 (0.10) after dilution

JANUARY – JUNE 2019
(COMPARED WITH JANUARY – JUNE 2018)

- Revenues decreased marginally and totalled EUR 49.8m (50.0)
- EBITDA decreased by 8 percent and totalled EUR 20.6m (22.5), corresponding to an EBITDA margin of 41 percent (45)
- Adjusted EBITDA excluding non-recurring costs decreased by 16 percent and totalled EUR 20.7m (24.5), corresponding to an adjusted EBITDA margin of 42 percent (49)
- Net cash generated from operating activities amounted to EUR 19.5m (19.0)
- New Depositing Customers (NDCs) totalled 223,988 (273,476), a decrease of 18 percent
- Earnings per share amounted to EUR 0.15 (0.19) before dilution
- Earnings per share amounted to EUR 0.14 (0.18) after dilution

"We have completely rebuilt many of our sites; improved our business model; and prepared expansion into new markets."

Per Hellberg / CEO

APR – JUN 2019
-9%
EUR 23.7m
REVENUE GROWTH YOY

APR – JUN 2019
-21%
EUR 9.5m
ADJUSTED EBITDA GROWTH YOY

APR – JUN 2019
20%
EUR 0.12
EPS GROWTH YOY

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- Increased number of shares and votes in Catena Media plc related to earn-out payments for assets acquired in March 2018, BonusSeeker.com, and in April 2018, BrokerDeal.de.
- Catena Media resolves upon two directed new share issues as payment for assets acquired in March 2018 and in April 2018.
- Notification of major holdings in Catena Media plc. The Notification indicates that Bodenholm Capital AB, as of 6 May 2019, holds 10.28 percent of the voting rights in Catena Media plc.
- Increased number of shares and votes in Catena Media plc related to one of the company´s incentive programs.
- Notification of major holdings in Catena Media plc. The Notification indicates that Andra AP-fonden ("AP2"), a Swedish national pension fund, as of 5 April 2019, holds 6.44 percent of the voting rights in Catena Media plc.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Increased number of shares and votes in Catena Media plc related to prepayment to the final earn-out payment for U.S. assets.
- Catena Media resolves upon a new directed issue of shares as a prepayment to the final payment for U.S. assets acquired in December 2016.
- Catena Media agrees on amended terms for assets in the German sports betting-focused affiliate BayBets Ltd, acquired in December 2017.

Special events this quarter

- **As of July, drives traffic for Online Casino in Pennsylvania**
- **Approved for PPC marketing in Mexico**
- **Squawka wins "Premium Publisher"**
- **Affiliate of the Year 2019 – EGR North America Awards**

CATENA MEDIA IN BRIEF

CATENA MEDIA PROVIDES COMPANIES WITH HIGH-QUALITY ONLINE LEAD GENERATION

Through strong organic growth and strategic acquisitions since 2012, Catena Media has established a leading market position with approximately 390 employees in the US, Australia, Japan, Serbia, the UK, Sweden, Italy and Malta (HQ). Total sales in 2018 reached EUR 105m. The company is listed on Nasdaq Stockholm, Mid Cap.

CATENA MEDIA'S BRAND STORY

Catena Media has become the largest lead generator delivering high-value iGaming online customers. In recent years we have achieved unparalleled growth because we have adapted to market developments and user needs, and built a scalable business model and an advanced technology platform. We have carried out several successful M&As and adapted our organisation for organic growth, through both expertise and resources.

We aim to be the number-one choice within global, innovative, performance based online marketing, in any business we enter. We will build outstanding relationships and always ensure partner brand growth by providing high-quality, partner-integrated products with superior user experiences. By focusing on strong brands within iGaming and Financial Services – moving from M&As to more organic growth – our goal is to become a global business with local presence on all continents.

Catena Media is partner-focused and will continue to deliver high-value users at low risk to growing companies. We are the perfect choice for top management, and specifically for Communication Managers, fulfilling their need for a strong partner that can show clear return on investment.

In the ever-growing, ever-changing, performance-based marketing business, where technology is constantly developing, regulations changing, competitors merging and personnel moving between organisations, Catena Media needs to be the true leader: setting the benchmark through cutting-edge business intelligence, continuous innovation, quality content, compliance and social responsibility.

Well-distanced from our competitors, but still a startup at heart, we will offer a reliable alternative to traditional media – a smarter branding choice – by providing better, more actionable, ROI-driven content.

Consolidated key data and ratios

In addition to financial measures defined by IFRS, Catena Media presents some alternative performance measures in this interim report that are not defined by IFRS. These alternative performance measures provide valuable additional information to investors and management for evaluating the financial performance and position of Catena Media. These non-IFRS measures, as defined on page 27 of this report, will not necessarily be comparable to similarly titled measures in other companies' reports. Neither should they be considered as substitutes to financial reporting measures prepared in accordance with IFRS. More information, as well as calculations of key ratios, are found at **www.catenamedia.com/investors/key-performance-indicators-definitions**

	April–June 2019	April–June 2018	**Jan–June 2019**	Jan–June 2018	**Jan–Dec 2018**
Financial measures defined by IFRS					
Operating revenues (EUR '000)	**23,729**	26,109	**49,841**	49,959	**104,970**
Earnings per share before dilution (EUR)	**0.12**	0.10	**0.15**	0.19	**0.56**
Earnings per share after dilution (EUR)	**0.11**	0.10	**0.14**	0.18	**0.52**
Weighted average number of outstanding shares at period's end before dilution (EUR '000)	**56,865**	54,703	**56,706**	54,435	**55,128**
Weighted average number of outstanding shares at period's end after dilution (EUR '000)*	**62,126**	58,439	**62,126**	58,171	**59,590**
Alternative Performance Measures					
EBITDA (EUR '000)	**9,398**	12,109	**20,585**	22,511	**47,836**
EBITDA margin (%)	**40**	46	**41**	45	**46**
Adjusted EBITDA (EUR '000)	**9,502**	12,109	**20,689**	24,508	**50,057**
Adjusted EBITDA margin (%)**	**40**	46	**42**	49	**48**
Effective tax rate (%)	**3.2**	9.2	**3.7**	8.7	**7.0**
New depositing customers ('000)	**100**	140	**224**	273	**539**
Average shareholders' equity, last 12 months (EUR '000)	**137,571**	85,580	**137,571**	85,580	**116,366**
Return on equity, rolling 12 months (%)	**21**	25	**21**	25	**26**
Equity to assets ratio (%)	**42**	33	**42**	33	**37**
Quick ratio (%)	**57**	43	**57**	43	**51**
Net interest-bearing liabilities (NIBL) (EUR '000)	**137,906**	133,848	**137,906**	133,848	**136,839**
NIBL/EBITDA multiple	**3.00**	3.21	**3.00**	3.21	**2.86**
NIBL/adjusted EBITDA multiple	**2.98**	2.97	**2.98**	2.97	**2.73**
Net debt/equity ratio multiple	**1.40**	2.07	**1.40**	2.07	**1.67**
Equity per share before dilution (EUR)	**2.75**	2.09	**2.75**	2.10	**2.53**
Equity per share after dilution (EUR)	**2.52**	1.96	**2.51**	1.96	**2.38**
Average number of employees	**389**	318	**386**	302	**332**
Employees at period-end/year-end	**395**	346	**395**	346	**363**
Productivity ratio (EUR '000)	**61**	82	**129**	166	**316**
Adjusted EBITDA productivity ratio (EUR '000)	**24**	38	**54**	81	**151**

*Includes the maximum portion of shares that will be issued in settlement of earn-out payments according to the respective agreements.
**Adjusted for non-recurring IPO, bond and credit facility related costs of EUR 0.05m (nil) and reorganisation costs of EUR 0.06m (nil) in Q2 2019. Non-recurring costs and reorganisation costs for the period ended 30 June 2019 amounted to EUR 0.05m (1.9) and EUR 0.06m (0.06), and EUR 2.1m and EUR 0.06m respectively for the year ended 31 December 2018.

CEO COMMENTS FOR THE SECOND QUARTER 2019

Preparing for a strong second half

The second quarter is normally five to ten percent weaker than the first quarter. It's a seasonal pattern that's already part of our forecasting. However this year negatively affected by regulatory changes in the United Kingdom and France but we haven't been biding our time – instead we have pulled out all the stops to gear up for a strong second half. Especially in three areas: completely rebuilding many of our sites; improving our business model; preparing expansion into new markets. Actions we believe will start building incremental revenue from the third quarter onwards.

WHAT BROUGHT REVENUE DOWN IN THE SECOND QUARTER

Second quarter revenue turned out below our expectations. There are four primary causes:

- May and June are traditionally weak months for sports
- New, rapidly implemented regulations in the UK
- Regulatory impact in France
- Large player winnings at casino, which had a negative impact on the revenue sharing
- Still no improvements in Sweden

SEASONALITY IN THE SECOND QUARTER

The major football (soccer) leagues are inactive in the summer and sports betting naturally dips down. The effect was stronger this year, as the World Cup for men's football (soccer) took place last year. At the same time casino volumes decline, as people gamble less during the holiday season. It all starts up again in August: The Premiere League in England, and leagues in Italy, German and Spain as well as the American NFL, which boosts sports betting in the US. As we went live in Pennsylvania, we're now prepared for the impending traffic increase.

NEW KNOW YOUR CUSTOMER REGULATIONS IN THE UK

When additional Know Your Customer (KYC) requirements were introduced in the UK at the beginning of May, all consumers – whether current or new – had to verify their identities, age and address with a passport or ID, before being able to play or deposit money. Due to a rather time-consuming and complicated KYC registration process, many players gave up before completing this step. This resulted in delayed deposits and gaming activities, and thus fewer NDCs (New Depositing Customers) and delayed revenues. However, improved registration processes by the operators as well as increasing numbers of available sport events have resulted in numbers coming up again in the start of the third quarter.

REGULATORY IMPACT IN FRANCE

We have implemented changes to our key product in France due to local authorities' interpretation of the marketing legislation which has a certain impact on revenues until the changes has been implemented. The changes are estimated to be completed within the third quarter.

HIGH PLAYER PAYOFFS AT CASINO

It's great when players win big, but many large payoffs at the same time affect our revenue sharing model. These can't be predicted, of course, but they don't occur often and only create temporary revenue downswings, which they unfortunately did during the quarter.

CATENA MEDIA WORKING HARD TO ADAPT TO MARKET CONDITIONS

We are probably the top affiliate when it comes to adapting ourselves to a constantly changing market. Google made several large updates of its algorithms to focus on high-quality sites in the second quarter. This turned into a hard blow to the market and several of our competitors lost a lot in ranking on Google. Catena Media weathered the storm well, as we had put a huge amount of energy recently into rebuilding our sites from the ground up. This year we recruited nearly thirty new talents to work on improving products, while at the same time we reshaped our organisation towards more value-creating roles. The result is that we can improve our operational efficiency without significant increases in personnel costs.

NEW REVENUE STREAM FOR MATURE MARKETS

Many gaming markets, such as the UK and Sweden, are at the top of their life cycles and it is hard for operators in a saturated market to attract new players with specially targeted offers. This is beacuse local marketing laws sometimes prohibit operators from performing retention-related marketing activities such as reload bonuses. Hence, it's more often the case that current players switch between operators. And they often make this choice based on our sites and the offers or betting tips we provide. That's why Catena Media has developed a new revenue stream, where we are paid to retain existing customers for the operator, to a further extent than before. We are working closely with operators to launch this functionality in the third quarter.

EXPANSION IN THE US AND GLOBALLY

Last year generated great expectations that the US will grow and produce considerable revenues. We are the largest in the US and Catena Media was recently crowned EGR North America "Affiliate of the Year" for the second year running. This is proof that we're on the right track, even when facing tough competition. And things look very positive now that the NFL season is starting again, especially as we are now also live with both Sports and Casino affiliation in Pennsylvania. But our expansion has an even longer horizon and includes additional markets. Some examples: We are planning for AskGamblers.com to go live in Japanese, Spanish and Portuguese by the end of the third quarter; An English version of AskGamblers for India is also planned for the same period; and we view Latin America as a future market. We've test-launched Sports and Casino in a set of LATAM markets and we are, just as we did in the US, gathering market data so that we will be prepared when Latin America really starts to grow. Squawka will also be made available in Spanish during the third quarter to drive this growth. Finally, we have launched Sports in Japan.

OUTLOOK

Markets are increasingly regulated and undergoing changes, and this will continue. As we have often said, this is good for Catena Media in the long run; markets tend to consolidate, and key affiliates therefore grow larger but it takes time and we need to act to capture this growth. This year is teaching us that we need to continually improve existing products to do so. Furthermore, we need to add new markets to avoid regulatory changes having large impacts on our short-term results, as they did in the first and second quarter this year. Our product improvements and market expansions are programmed to start showing positive effects from the third quarter onwards, and even though we are early in the quarter, it looks positive.

Per Hellberg, CEO

Financial performance April – June 2019

REVENUES

Total revenues decreased by 9 percent compared to the corresponding period in the previous year and amounted to EUR 23.7m (26.1). The corresponding quarter reflected revenues derived from the FIFA World Cup, whilst during the current quarter there were no significant sporting events. Organic growth excluding paid revenue slowed down by 10 percent for the second quarter of 2019 when compared to the second quarter of 2018. During the second quarter search revenue represented EUR 20.2 (22.2), paid revenue EUR 2.8m (3.8) and subscription revenue EUR 0.7m (0.1) of the total revenues. Revenues derived through revenue sharing arrangements comprised 47 percent of total revenues for the quarter, while revenues from cost per acquisition comprised 35 percent, fixed fees comprised 15 percent and subscription revenue comprised 3 percent. During the quarter, there was a shift from cost per acquisition revenues to revenues derived from revenue sharing arrangements.

Approximately 78 percent of revenues were generated from locally regulated or taxed markets.

EXPENSES

Total operating expenses amounted to EUR 17.7m (16.1).

Personnel costs increased compared to the corresponding period in the previous year, mainly as a result of an investment in the US market that started during the previous financial year. In fact, personnel costs remained in line with the first quarter of this year and prior more recent quarters. These strategic investments will continue to strengthen our margins going forward. Other operating expenses have decreased compared to the corresponding quarter in the previous year as a result of the investment in the Financial Services segment that started during the previous financial year. Further, direct costs related to paid revenue also decreased compared to Q2 2018 as a result of an increased spend in PPC during the FIFA World Cup.

EARNINGS

EBITDA, including non-recurring costs, decreased by 22 percent, amounting to EUR 9.4m (12.1). This corresponds to an EBITDA margin of 40 percent (46). Non-recurring costs incurred during the second quarter of 2019 amounted to EUR 0.1m (nil). Adjusted EBITDA (excluding non-recurring costs) decreased by 21 percent and amounted to EUR 9.5m (12.1). This corresponds to an adjusted EBITDA margin of 40 percent (46). In comparison to the same period of 2018, the lower margin is mainly a result of higher personnel costs and lower revenues.

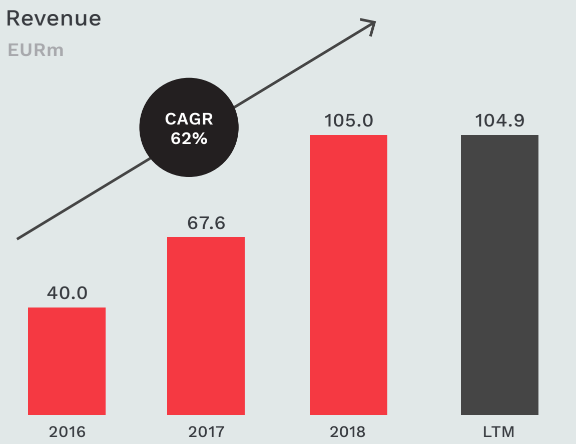
The effective tax rate for the Group amounted to 3.2 percent (9.2) while earnings after tax (EAT) amounted to EUR 6.8m (5.6), an increase of 21 percent year-on-year. Earnings per share (EPS) before dilution increased by 20 percent compared with the second quarter of 2018 and amounted to EUR 0.12 (0.10). Earnings per share (EPS) after dilution amounted to EUR 0.11 (0.10). In terms of IFRS, the dilution presumes that the earn-outs will be settled with the maximum portion of shares according to the agreement. However, the portion that will be paid in shares and cash is decided by Catena Media, and may vary for each payment.

INVESTMENTS

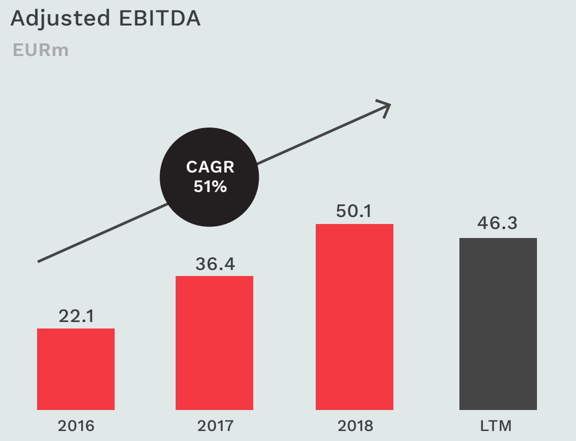
Investments in intangible assets amounted to EUR 1.3m (53.8) during the second quarter and were mainly related to costs for the development of websites and other applications. During the corresponding quarter of the previous year, the investment in intangibles mainly related to the acquisition of various websites and domains.

LIQUIDITY AND CASHFLOW

On 30 June, cash and cash equivalents amounted to EUR 15.1m (16.2). High operating cash flow and solid cash conversion underlie Catena Media's operations. Net cash generated from operating activities increased by 20 percent compared with the second quarter of 2018 and amounted to EUR 10.4m (8.7). This was due to a cash inflow on trade and other receivables as compared to an outflow in the corresponding quarter of the previous year. The cash conversion rate amounted to 111 percent.



- In the period from 2016 to 2018, Catena Media increased its revenue by EUR 65.0m, equaling a CAGR (compound annual growth rate) of 62 percent.



- In the period from 2016 to 2018, Catena Media increased its adjusted EBITDA by EUR 28m, equaling a CAGR (compound annual growth rate) of 51 percent.

Financial performance January – June 2019

REVENUES

The Group's revenues for the first six months of 2019 decreased marginally compared to the corresponding period in the previous year and amounted to EUR 49.8m (50.0).

The period's total revenues comprised of EUR 41.9m (42.7) search revenue, EUR 6.3m (7.2) paid revenue and EUR 1.7m (0.1) subscriptions revenue. Revenues derived through revenue share arrangements comprised 45 percent of total revenues for the first six months of 2018, whilst 37 percent was derived from cost per acquisition, 14 percent from fixed fees and 4 percent from subscriptions.

Approximately 78 percent of revenues were generated from locally regulated or taxed markets.

EXPENSES

Total operating expenses amounted to EUR 36.0m (31.4).

During the first six months of 2019, both personnel and other operating costs increased, the latter being primarily related to sales and marketing costs. This is mainly a result of an investment in the US market and in the Financial Services segment which started during the previous financial year and continued during the first quarter of 2019. During the comparative quarter, costs relating to the refinanced bond amounted to EUR 2.0m and are classified as non-recurring costs. An early redemption fee of EUR 3.4m in relation to the old bond had been recognised and is classified within "Interest payable on borrowings".

EARNINGS

EBITDA, including non-recurring costs, decreased by 8 percent, amounting to EUR 20.6m (22.5). This corresponds to an EBITDA margin of 41 percent (45). Adjusted EBITDA (excluding non-recurring costs) decreased by 16 percent and amounted to EUR 20.7m (24.5). This corresponds to an adjusted EBITDA margin of 42 percent (49). The lower margin, compared to the first six months of 2018 is due to higher costs related to personnel and other operating expenses whilst revenues remained at a similar level. The increased costs are mainly a result of an investment in the US market and in the Financial Services segment which continued during the first quarter of 2019.

The effective tax rate for the Group amounted to 3.7 percent (8.7), while earnings after tax (EAT) amounted to 8.7m (10.3), a decrease of 16 percent year-on-year.

Earnings per share (EPS) before dilution amounted to EUR 0.15 (0.19) and after dilution to EUR 0.14 (0.18).

FUNDING

In March 2018, Catena Media refinanced the secured bond of EUR 100m with a new senior unsecured bond of EUR 150m. The bond will mature on 2 March 2021 and carries a floating rate of Euribor 3m +5.50 percent. Euribor 3m is subject to a floor of 0 percent. The new bond has a total framework of EUR 250m.

Since issuing the first bond, Catena Media has become a more mature Company and refinancing is the first step in the process of aligning our capital structure with the development of the Company. Apart from a lower margin on interest rates, the new bond has a more flexible structure. It also enables bank financing of at most EUR 30m or 75 percent of adjusted EBITDA.

Furthermore, a multicurrency revolving bank facility of EUR 30m was set up with Swedbank. This revolving bank facility will mature on 15 January 2021. In EUR the interest rate will be Euribor +2.50 percent. Euribor 3m is subject to a floor of 0 percent. By diversifying our financing sources, we believe the Company's financial risk will decrease and the operational flexibility for further credit enhancing development will increase. The Company utilised EUR 3.0m of this credit facility in the first two quarters of 2019.

INVESTMENTS

Investments in intangible assets amounted to EUR 2.9m (75.0) during the period ended 30 June 2019 and were mainly related to costs for the development of websites and other applications. During the corresponding period of the previous year, the investment in intangibles mainly related to the acquisition of various websites and domains.

LIQUIDITY AND CASHFLOW

On 30 June, cash and cash equivalents amounted to EUR 15.1m (16.2). High operating cash flow and solid cash conversion underlie Catena Media's operations. Net cash generated from operating activities increased by 2.6 percent compared with the same quarter in the previous year and amounted to EUR 19.5m (19.0). The cash conversion rate amounted to 95 percent.

INTEREST-BEARING DEBT AND LEVERAGE

Catena Media has an outstanding senior unsecured bond of EUR 150m as at 30 June 2019. Catena Media also has a multi-currency revolving bank facility at Swedbank. EUR 3m of the facility were utilised as of 30 June 2019.

The net interest-bearing liability/adjusted EBITDA was 2.98 as at 30 June 2019. This is above the financial target regarding leverage set by the Board of Catena media plc. The target is for Catena Media's leverage to fall within an interval of 1.5-2.5 times the adjusted EBITDA. We are allowed to operate above the tolerance levels for short periods of time. As a result of the high growth in revenues, strong operating cash flow and solid cash conversion, the medium-term goal is to operate within the range of 1.5-2.5 times the adjusted EBITDA.

Our Segments

iGaming

The iGaming segment contains of Casino and Sports Betting products. iGaming revenue decreased by 11 percent to EUR 22.3m and EBITDA decreased by 19 percent to EUR 9.3m, compared with the second quarter of 2018. Year over year, revenues decreased by 1 percent to EUR 46.9m and EBITDA decreased by 9 percent to EUR 20.6m. Our iGaming segment has four revenue streams: Cost per Acquisition (CPA), Revenue Share, Fixed Fees and Subscription.

MARKET DEVELOPMENT

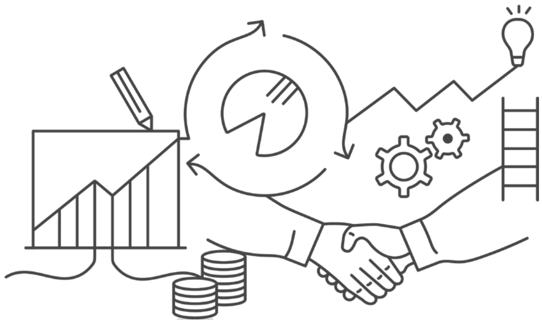
In the United States, Pennsylvania went live with sports betting this quarter, but with only a few operators at this early stage. Our US operations show healthy development and we continue to have a strong position in the US market. In the United Kingdom, our revenue was impacted negatively due to Know your Customer regulations* implemented in May, and both Casino and Sports products were affected negatively in the second quarter. In the French market, we experienced regulatory challenges affecting our Sports products. In the Swedish market we experienced a decline in revenue in the first quarter, saw a stabilisation in the second quarter. In Italy the implementation of new regulations caused a drop in revenue, but the effects of the new regulations were not as severe as expected, and detailed work by our Compliance/Legal teams means our assets remain in a strong position there. In Japan, our Casino products continue to develop very well and the second quarter showed healthy growth compared to the first quarter. During the second quarter we started to generate traffic in Mexico as a part of our expansion strategy. Our leading product, AskGamblers, was also affected by the KYC regulations and some revenue share losses during the second quarter, but ended the second quarter with a positive revenue trend.

CONTINUED FOCUS ON OPERATIONAL EXCELLENCE

During the second quarter we put a solid effort into our product strategy, focusing on fewer, stronger global brands, and preparing to integrate the assets acquired where the earn-out periods have ended, or are coming to an end. We also continued to drive cost-efficiency throughout the segment to make sure we run our business as efficiently as possible, with some quite good results this quarter.

**Know Your Customer, or simply KYC, requires a business to verify the identity of its clients and assess their suitability, along with the potential risks of illegal intentions towards the business relationship. The term is also used to refer to the bank regulations and anti-money laundering regulations that govern these activities. KYC is intended to ensure that proposed operators comply with anti-bribery regulations.*

Financial Services



The Financial Services segment includes brands providing relevant content for users interested in trading currencies, shares, and CFD (Contract for Difference) instruments. The segment represented 6 percent of total revenues in the second quarter. Financial services revenue increased by 23 percent to EUR 1.5m and EBITDA decreased by 64 percent to EUR 0.2m, compared with the second quarter of 2018. Year over year, revenues increased by 23 percent to EUR 3.0m and EBITDA decreased by 93 percent to EUR 0.1m. Our Financial Services segment has four revenue streams: Cost per Acquisition (CPA), Revenue Share, Fixed Fees and Subscription.

FOCUS ON FINANCIAL SERVICES

The Financial Services segment continues to move from acquisitions to consolidation, while products are migrating from multiple small brands to three major brands: AskTraders, The Hammerstone and LeapRate. The strategy is to target high-end professional Wall Street traders with The Hammerstone; B2B brokers and industry service providers with LeapRate; and AskTraders will be our main consumer proposition, which provides a high level of user-generated content and interaction. The latter takes place through Q&As, Complaints and the gamification of traders' top tips, top trades and top-voted Q&A answers. Our goal is to become predominant within trading in the Financial Services segment.

OPERATIONAL DEVELOPMENT

We continued implementing our strategy to focus on fewer brands and to align staff towards competing for traffic in different geographical territories with a more focused approach, while developing our core assets to compete globally. Product performance continued to be stable during the quarter, where the US continued to develop well.

Other

THE CATENA MEDIA SHARE

On 11 February 2016, Catena Media plc was listed on Nasdaq First North Premier, Stockholm (CTM). On 4 September 2017, Catena Media plc made the move to Nasdaq Stockholm's main market, Mid Cap. The shares are traded under the same ticker (CTM) and with the same ISIN code (MT0001000109) as before. Further information about the listing is presented in the prospectus, which is available on the company's website at https://www.catenamedia.com/investors/prospectus.

On 2 July 2018, the Company announced that it had resolved to implement a directed issue of 182,550 shares to cover one of the Company's incentive programmes.

On 9 July 2018, it was announced that 30,061 new shares in Catena Media plc were issued as payment of part of the purchase price for acquired assets in BrokerDeal.de with a nominal price of EUR 0.0015 per share and a share premium of EUR 11.9741495 per share.

On 19 July 2018, it was announced that 144,282 new shares in Catena Media plc were issued as payment of the earn-out amount payable to New Casinos Ltd. based on revenue performance. The new shares were issued with a nominal price of EUR 0.0015 per share and a share premium of EUR 12.9938840 per share.

On 31 July 2018, it was announced that the Company had resolved to implement a directed issue of 327,150 shares to cover one of the Company's incentive programmes.

On 16 August 2018, it was announced that 77,209 new shares in Catena Media plc were issued with a nominal value of EUR 0.0015 per share and a share premium of EUR 11.1594006 per share. These shares were issued in part-settlement of the purchase consideration for the assets acquired in the US.

On 8 November 2018, it was announced that 188,751 new shares in Catena Media plc were issued as partial payment of the upfront purchase price for acquired assets in LeapRate.com.

On 30 November 2018, the Company announced that it had resolved on a directed issue of 261,275 shares by virtue of the Company's incentive programme.

On 31 January 2019, the Company announced that it had resolved on a directed issue of 22,000 shares by virtue of the Company's incentive programme.

On 28 February 2019, the Company announced that it had resolved on a directed issue of 468,132 shares as part payment of the upfront purchase price for acquired assets in Baybets Ltd.

On 30 April 2019, the Company announced that it had resolved on a directed issue of 108,860 shares by virtue of the Company's incentive programme.

On 28 June 2019, the Company announced that it had resolved on a directed issue of 103,280 shares as earn-out-payments for acquired assets in BonusSeeker and BrokerDeal.

SHARE CAPITAL

As of 30 June 2019, the share capital amounted to EUR 85,483 divided between 56,989,144 ordinary shares. As of 28 June 2019, the closing price for the Catena Media share was SEK 62.85. The Company has one (1) class of shares. Each share entitles the owner to one (1) vote at the General Meeting. The total number of shareholders as of 30 June 2019 was approximately 10,000.

RELATIONSHIPS WITH RELATED PARTIES

In view of its shareholding structure, the Group has no ultimate controlling party. All companies forming part of the Group and other entities under common control are considered by the directors to be related parties.

SHAREHOLDER STRUCTURE

Shareholders in Catena Media plc as at 30 June 2019.

Ten largest shareholders as at 30 June 2019	**%**
Bodenholm Capital	12.6%
Ruane, Cunniff & Goldfarb	8.8%
Investment Öresund AB	8.5%
Swedbank Robur Fonder	6,5%
Andra AP-fonden	6,4%
Aveny Ltd.	6,4%
Pixel Wizard Ltd.	5.9%
Baybets Ltd.	3.6%
Knutsson Holdings AB	2.6%
Henrik Persson Ekdahl	2,4%
Sub-total, 10 largest shareholders	**63.7%**
Other shareholders	**36.3%**
Total	**100%**

DIVIDEND

According to the adopted dividend policy, Catena Media will focus on growth, meaning that dividends may be low or not occur at all in the medium term. There was no dividend paid for the financial year ended 31 December 2018.

FINANCIAL TARGETS

Catena Media has two main financial targets. The first one is our growth and earnings target of reaching an adjusted EBITDA of EUR 100m in 2021. The second relates to leverage, where the goal is to operate within a net interest-bearing debt/adjusted EBITDA of 1.5-2.5x.

EMPLOYEES

As of 30 June 2019, the Group had a total 395 (346) employees, of whom 128 (117) were women and 267 (229) men. Expressed as percentages, women represented 32 percent (34) of the total number of employees, while men represented 68 percent (66). Of the total number of employees, 394 are employed full-time and 1 employed part-time.

PARENT COMPANY

The Parent Company is the ultimate holding company and was incorporated in Malta on 29 May 2015 with the purpose of receiving dividend income from the main operating company, Catena Operations Limited.

During both the second quarter of 2019 and the comparative quarter of 2018, no dividends were received from subsidiaries. During the second quarter of 2019, costs related to the credit facility in the Parent Company amounted to EUR 0.02 (nil). Total credit facility costs for the period ended 30 June 2019 were EUR 0.02m, while costs amounting to EUR 1.7m related to the bond issue in the same quarter of 2018.
Bond and credit facility finance costs, classified as "Interest payable on borrowings", amounted to EUR 2.1m (2.1) during the second quarter and EUR 4.3m (7.6) for the period ended 30 June 2019. The bond and credit facility costs and interest payable on the borrowings have been recharged to Catena Operations Limited.

The fair value movement classified in “Other gains on bond liability at fair value through profit or loss”, recognised in the second quarter of 2019 and during the first six months of 2019, resulted in a gain of EUR 3m and EUR 1.5m respectively. During the second quarter of 2019, personnel expenses amounted to EUR 0.2m (0.1), while other operating expenses amounted to EUR 0.1m (0.1). The profit for the second quarter of 2019 amounted to EUR 2.8m, while the loss for the same quarter of the previous year amounted to EUR 0.3m.

Personnel expenses and other operating expenses for the period ended 30 June 2019 amounted to EUR 0.3m (0.1) and EUR 0.1m (0.1) respectively. Profit for the first six months of 2019 amounted to EUR 1.1m (2.5).

The Parent Company’s cash and cash equivalents amounted to EUR 0.9m (5.1) while borrowings, recognised at fair value through profit and loss, comprising the bond and the bank credit facility, amounted to EUR 145.5m (150.0). Equity amounted to EUR 78.5m (58.7) at the end of the reporting period.

SIGNIFICANT RISKS AND UNCERTAINTIES

Although the Group does not conduct any online gambling operations, the Group is dependent on the online gambling industry, which comprises the majority of its customers.

The laws and regulations surrounding the online gambling industry are complex, constantly evolving and in some cases also subject to uncertainty, and in many countries online gambling is prohibited or restricted. If enforcement or other regulatory actions are brought against any online gambling operators – which are the Group’s current and future customers – the Group’s revenue streams from such customers may be adversely affected. Furthermore, the concerned authority might also claim that the same or similar actions should be brought against any third party that has promoted the business of such online gambling operators, including the Group. Accordingly, any such event, including future changes to laws and regulations, could have a material adverse effect on the Group’s business, financial condition and the results of its operations. To manage this risk, the Group is active in regulated and unregulated markets and Catena Media’s customer base is highly diverse.

Another risk faced by the Group relates to its reliance on customers when determining the fees to be invoiced to them. Once a player directed by the Group has registered with one of its customers, the Group has no direct insight into the activities of that player. Although the Group may request access to the net revenue calculations upon which the Group’s fees are determined, there remains a risk of miscalculation, including fraudulent or negligent calculations made by its customers or as a result of human error.

If such miscalculations occur without being detected and subsequently remedied or adjusted, the Group could receive a lower fee than it is entitled to under its customer agreements, which in turn would result in less revenue. Accordingly, any such miscalculation could have an adverse effect on the Group’s business, financial condition and results of operations.

In addition to the above, the Directors also consider the following risks as being relevant to the Group:

- Credit risk – the risk that customers do not pay for the services rendered.
- Market risk – the risk arising from adverse movement in foreign exchange rates and interest rates.
- Liquidity risk – the risk of difficulties in obtaining funding to meet the Group’s obligations when they fall due.
- Operational risk – the risk that the Group loses its ability to maintain efficient SEO and PPC capabilities.

Full details on risks are published in the 2018 Annual Report.

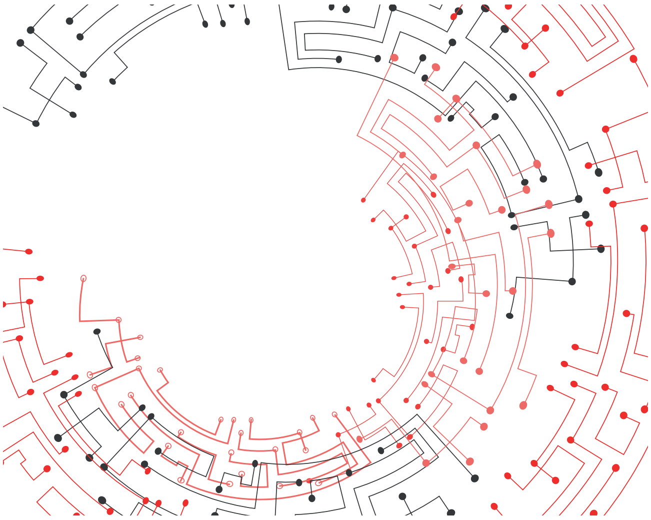
A SCALABLE BUSINESS MODEL

All industries are potential Catena Media industries and we are a new type of media agency – acting online, hand in hand with the end consumer's ever-changing online behaviour. Under established brands, Catena Media operates websites that guide consumers to make the right choice when making their buying decisions for online services. Flight and hotel bookings are good examples of services managed online. A well-known lead generator and a product peer is Hotels.com. Catena Media runs a number of own-branded lead generating products. Most other industries will develop online the same way as the hotel or iGaming industry, and education, healthcare, and automotive are well on their way. Catena Media has a highly scalable business model, so it works on any online service.

Put simply, we help consumers find relevant information and transparently guide them to the product or service that suits them. It benefits both the consumers and the sellers, who can find their customers. We aggregate information on products and services and what concerns them. We then create content and publish it on one of our established sites: news articles, product comparisons, guides, tips and advice, etc. With our SEO expertise, we then ensure that the content ends up at the top of the results on Google. And with knowledge about user behaviour, we can create an online journey that fits consumers so that they find their way, and our clients find their customers. View our business model movie: **https://www.youtube.com/watch?v=hvhn2pWWOrM&t=**

GENERATING LEADS IN PENNSYLVANIA

On 17 July, Catena Media started driving traffic to our first online casino partner going live in Pennsylvania. Following the launch of the Pennsylvania market, websites operated by Catena Media are now adding market-leading online casinos to their list of operators. Catena Media was the first affiliate to go live in Pennsylvania for online sportsbooks earlier this summer and has been building websites and dominating rankings in the state for the past few years for search words related to online sportsbooks and casinos. Catena Media’s US General Manager, Michael Daly, says “Catena Media’s US and global teams have been working hard in preparation for this day for a long time. Thanks to the team’s work, sites like PlayPennsylvania.com are top ranked for key search terms related to this new online casino business.” Catena Media’s Pennsylvania-focused websites are filled with useful information and answers to questions that players in Pennsylvania are asking. These top ranking websites and their useful content opens up for potential new traffic to Catena Media’s partners. At launch, Catena Media is working with new operators who are specific to Pennsylvania and operators that Catena Media has already worked with for years in New Jersey, and who are now entering Pennsylvania. In coming weeks, Catena Media expects to add more operators and partners as the state goes live.



ITALIAN LEGISLATION

A ban on all commercial gambling advertising was approved by the Italian government in July 2018 and confirmed by the Parliament in August 2018. This ban took effect on 14 July 2018, but a one-year grace period allowed advertising on the basis of outstanding contracts entered into before that date. In April 2019 the Italian Communication Regulatory Authority finally issued its guidelines on the interpretation of the gambling ban. On 14 July 2019 the grace period ended and the ban became fully effective.

While the guidelines issued in April do not expressly regulate affiliation activity, they provided general criteria to identify the scope of the ban. While there are still a few uncertainties on the interpretation of the new law, in the period before 14 July 2019, Catena Media made internal assessments and has made changes to all its websites addressed to Italian visitors, with the aim to comply with Italian law.

ADAPTING THE OFFERING TO THE FRENCH MARKET

In the beginning of April 2019 the ARJEL, the French online gaming authority (Accueil Autorité de Régulation des Jeux En Ligne) www.arjel.fr/, sent official notices to all licensed operators in France regarding the provision of premium tips (i.e. subject to payment) by performance marketing companies, such as Catena Media, on the operators' gambling offerings. Catena Media has been in contact with the ARJEL and we are further adapting the offering to the French market.

SQUAWKA WINS "PREMIUM PUBLISHER"

Catena Media's football publishing website, Squawka, was crowned Premium Publisher at the Football Blogging Awards.

The awards ceremony took place at the Etihad Stadium – just hours before Manchester City was confirmed as the 2018/19 Premier League champion – with a total of 25 awards handed out to a variety of industry-leading content creators.

The majority of accolades were settled via a public fans' vote but the winner of the Premium Publisher category was selected by a panel of industry judges.

Squawka Editor, Will Hall, said of the achievement: "We're delighted to have won this award . It's a testament to the entire team's hard work over the course of what has been a thrilling season."

PPC MARKETING IN MEXICO

Going into new geographical areas is a part of our strategy. In the second quarter we launched our first pay-per-click (PPC) campaign in Mexico in June, becoming one of the first affiliates to get approval from Google Ads to run PPC campaigns for casino advertising in Mexico. The first two Catena Media casino affiliate sites to test PPC campaigns in Mexico are JohnSlots and Slotsia. If the campaigns show promise, more of Catena Media's products will follow. Google Ads only opened up for PPC for casino terms in Mexico in April, making it the first American country outside the US to enable Catena Media to test PPC. Earlier this year we also launched our first PPC campaigns in Romania. The PPC campaigns for JohnSlots and Slotsia are the first steps to test the potential of the Mexican market and Catena Media estimates that the results will show within the second half of the year.

EGR NORTH AMERICA AFFILIATE OF THE YEAR

For the second consecutive year Catena Media has been recognised as the Affiliate of the Year at this year's EGR North America Awards. EGR is an annual event celebrating the operators and service providers who have shown outstanding performance and innovation over the preceding 12 months. Explaining why Catena Media had been chosen as "Affiliate of the Year" once again this year, the EGR North America judging panel drew attention to Catena Media's "highly-differentiated portfolio, with key sites recognised as industry editorial leaders" and highlighted the "thoroughness of product and quality of writing".

ANNUAL GENERAL MEETING AND ANNUAL REPORT

The Annual Report for 2018 was published 29 March 2019 at: **https://www.catenamedia.com/investors/reports/annual-reports/**.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Increased number of shares and votes in Catena Media plc related to prepayment to the final earn-out payment for U.S. assets.
- Catena Media resolves upon a new directed issue of shares as a prepayment to the final payment for US assets acquired in December 2016.
- Catena Media agrees on amended terms for assets in the German sports betting affiliate BayBets Ltd, acquired in December 2017.

PRESENTATION TO INVESTORS AND MEDIA

A live conference call will be held on 19 August 2019 at 9:00 am CET, at which CEO Per Hellberg and interim Group CFO Erik Edeen will present the Q2 report. The presentation will be given in English at Tändstickspalatset, Västra Trädgårdsgatan 15, in Stockholm, Sweden and will be broadcast live at: **https://tv.streamfabriken.com/catena-media-q2-2019**

To participate in the conference, please call:

UK	**+ 44 333 300 9035**
Sweden	**+ 46 8 566 427 04**
US	**+ 1 833 823 0590**

The switchboard opens at 8:55 am (CET) and the presentation will be available on our website: **https://www.catenamedia.com/investors/reports/quarterly**

Supplemental information

The Board of Directors and the CEO affirm that this interim report provides an accurate overview of the operations, financial position and performance of the Group and the Parent Company, and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

This interim report has not been reviewed or audited by the Company's auditors.

Malta, 19 August 2019

THE BOARD OF DIRECTORS

Kathryn Moore Baker,
Chairwoman

Göran Blomberg

Theodore Bergquist

Öystein Engebretsen

Mats Alders

Per Widerström

Cecilia Qvist

Upcoming dates

18 November 2019
Interim report Q3
January–September 2019

Tändstickspalatset
Västra Trädgårdsg. 15
Stockholm, Sweden

20 February 2020
Year-end report
January–December 2019

30 March 2020
Annual Report 2019

20 May 2020
Interim report Q1
January–March 2020

For further information, please contact

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REGISTERED OFFICE

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Ta' Xbiex, Gzira, GZR 1052, Malta

This information is information that Catena Media plc is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons above, on 19 August 2019 at 07.00 CET.

Condensed consolidated interim statement of comprehensive income

Amounts in '000 (EUR)	Notes	April–June 2019	April–June 2018	Jan–June 2019	Jan–June 2018	Jan–Dec 2018
Revenue	2	**23,729**	26,109	**49,841**	49,959	104,970
Total revenue		**23,729**	26,109	**49,841**	49,959	104,970
Direct costs	4	**(3,248)**	(3,713)	**(6,631)**	(6,944)	(12,975)
Personnel expenses		**(5,597)**	(4,714)	**(11,224)**	(8,828)	(19,214)
Depreciation and amortisation		**(3,344)**	(2,086)	**(6,724)**	(3,910)	(8,715)
Non-recurring costs:						
IPO, bond and credit facility related costs	5	**(47)**	–	**(47)**	(1,936)	(2,160)
Reorganisation costs	5	**(57)**	–	**(57)**	(61)	(61)
Other operating expenses		**(5,382)**	(5,573)	**(11,297)**	(9,679)	(22,724)
Total operating expenses		**(17,675)**	(16,086)	**(35,980)**	(31,358)	(65,849)
Operating profit		**6,054**	10,023	**13,861**	18,601	39,121
Interest payable on borrowings		**(2,167)**	(2,121)	**(4,293)**	(7,574)	(11,877)
Other gains on financial liability at fair value through profit or loss		**3,000**	–	**1,500**	2,882	8,882
Other finance costs		**(79)**	(1,687)	**(2,273)**	(2,622)	(4,606)
Other finance income		**254**	–	**254**	–	1,614
Profit before tax		**7,062**	6,215	**9,049**	11,287	33,134
Tax expense		**(223)**	(569)	**(337)**	(986)	(2,322)
Profit for the period/year attributable to the equity holders of the Parent Company		**6,839**	5,646	**8,712**	10,301	30,812
Other comprehensive income						
Items that may be reclassified to profit for the period/year						
Currency translation differences		**(136)**	(40)	**(44)**	35	67
Items that will not be reclassified to profit for the period/year						
Loss on disposal of other investments		**–**	(589)	**–**	(589)	(589)
Total other comprehensive loss for the period/year		**(136)**	(629)	**(44)**	(554)	(522)
Total comprehensive income attributable to the equity holders of the Parent Company		**6,703**	5,017	**8,668**	9,747	30,290
Earnings per share attributable to the equity holders of the parent during the period/year (expressed in Euro per share):						
Basic earnings per share						
From profit for the period/year		**0.12**	0.10	**0.15**	0.19	0.56
Diluted earnings per share						
From profit for the period/year		**0.11**	0.10	**0.14**	0.18	0.52

The notes on pages 18 to 23 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet

Amounts in '000 (EUR)	Notes	30 June 2019	30 June 2018	31 Dec 2018
ASSETS				
Non-current assets				
Goodwill		**11,966**	12,997	11,966
Right-of-use asset	11	**8,238**	–	–
Other intangible assets	6	**314,935**	298,771	328,372
Property, plant and equipment		**3,839**	4,060	4,009
Total non-current assets		**338,978**	315,828	344,347
Current assets				
Trade and other receivables		**21,378**	18,607	21,412
Cash and cash equivalents		**15,094**	16,152	13,161
Total current assets		**36,472**	34,759	34,573
Total assets		**375,450**	350,587	378,920
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		**85**	83	84
Share premium		**67,477**	54,826	61,770
Other reserves		**6,277**	5,904	6,063
Retained earnings		**82,642**	53,419	73,930
Total equity		**156,481**	114,232	141,847
Liabilities				
Non-current liabilities				
Borrowings	7	**145,500**	150,000	144,000
Amounts committed on acquisition	8	**–**	39,584	21,170
Deferred tax liabilities		**4,403**	3,650	4,598
Lease liability		**5,717**	–	–
Total non-current liabilities		**155,620**	193,234	169,768
Current liabilities				
Amounts committed on acquisition	8	**53,475**	35,543	60,740
Trade and other payables		**9,279**	6,789	5,943
Current tax liabilities		**595**	789	622
Total current liabilities		**63,349**	43,121	67,305
Total liabilities		**218,969**	236,355	237,073
Total equity and liabilities		**375,450**	350,587	378,920

The notes on pages 18 to 23 are an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements on pages 13 to 23 were authorised for issue by the Board on **19 August 2019** and were signed on its behalf by:

Kathryn Moore Baker
Chairwoman

Mats Alders
Director

Condensed consolidated interim statements of changes in equity

Amounts in '000 (EUR)	Attributable to owners of the parent				
	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance at 1 January 2019	84	61,770	6,063	73,930	141,847
Comprehensive income					
Profit for the period	–	–	–	8,712	8,712
Currency translation differences	–	–	(44)	–	(44)
Total comprehensive income for the period	–	–	(44)	8,712	8,668
Transactions with owners					
Issue of share capital	1	5,707	–	–	5,708
Equity-settled share-based payments	–	–	258	–	258
Total transactions with owners	1	5,707	258	–	5,966
Balance at 30 June 2019	**85**	**67,477**	**6,277**	**82,642**	**156,481**

Amounts in '000 (EUR)	Attributable to owners of the Parent Company				
	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance at 1 January 2018	81	47,153	6,077	43,707	97,018
Comprehensive income					
Profit for the period	–	–	–	10,301	10,301
Foreign currency translation movement	–	–	35	–	35
Loss on disposal of other investments	–	–	–	(589)	(589)
Total comprehensive income for the period	–	–	35	9,712	9,747
Transactions with owners					
Issue of share capital	2	7,673	–	–	7,675
Equity-settled share-based payments	–	–	(208)	–	(208)
Total transactions with owners	2	7,673	(208)	–	7,467
Balance at 30 June 2018	83	54,826	5,904	53,419	114,232

The notes on pages 18 to 23 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of changes in equity – continued

Amounts in '000 (EUR)	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	Attributable to owners of the Parent Company				
Balance at 1 January 2018	81	47,153	6,077	43,707	97,018
Comprehensive income					
Profit for the year	–	–	–	30,812	30,812
Foreign currency translation movement	–	–	67	–	67
Loss on disposal of other investments	–	–	–	(589)	(589)
Total comprehensive income for the year	–	–	67	30,223	30,290
Transactions with owners					
Issue of share capital	3	14,617	–	–	14,620
Equity-settled share-based payments	–	–	(81)	–	(81)
Total transactions with owners	3	14,617	(81)	–	14,539
Balance at 31 December 2018	84	61,770	6,063	73,930	141,847

The notes on pages 18 to 23 are an integral part of these condensed consolidated inteirm financial statements.

Condensed consolidated interim statements of cash flows

Amounts in '000 (EUR)	**April–June 2019**	April–June 2018	**Jan–June 2019**	Jan–June 2018	Jan–Dec 2018
Cash flows from operating activities					
Profit before tax	**7,062**	6,215	**9,049**	11,287	33,134
Adjustments for:					
Depreciation and amortisation	**3,344**	2,086	**6,724**	3,910	8,715
Loss on disposal of assets	**1**	–	**92**	–	–
Impairment of receivables	**–**	50	**50**	50	200
Unrealised exchange differences	**(445)**	406	**343**	651	(1,145)
Interest expense	**2,246**	3,287	**5,618**	9,216	15,397
Net gains on financial liability at fair value through profit or loss	**(3,000)**	–	**(1,500)**	(2,882)	(8,882)
Share based payments	**165**	112	**314**	196	499
	9,373	12,156	**20,690**	22,428	47,918
Taxation paid	**(81)**	(559)	**(644)**	(559)	(964)
Interest paid	**(113)**	–	**(224)**	–	–
Changes in:					
Trade and other receivables	**1,561**	(4,252)	**(300)**	(5,694)	(9,204)
Trade and other payables	**(323)**	1,380	**(15)**	2,821	2,900
Net cash generated from operating activities	**10,417**	8,725	**19,507**	18,996	40,650
Cash flows from investing activities					
Acquisition of property, plant and equipment	**(190)**	(388)	**(384)**	(959)	(1,346)
Acquisition of intangible assets	**(1,961)**	(40,995)	**(15,048)**	(53,109)	(73,287)
Acquisition of subsidiary, net of cash acquired	**–**	(2,575)	**–**	(2,575)	(3,624)
Net cash used in investing activities	**(2,151)**	(43,958)	**(15,432)**	(56,643)	(78,257)
Cash flows from financing activities					
Net proceeds on borrowings	**–**	–	**3,000**	48,650	48,650
Proceeds on exercise of share options	**217**	504	**257**	504	1,862
Interest paid	**(2,085)**	(2,190)	**(4,237)**	(7,222)	(11,456)
Lease payments	**(766)**	–	**(1,378)**	–	–
Net cash (used in)/ generated from financing activities	**(2,634)**	(1,686)	**(2,358)**	41,932	39,056
Net movement in cash and cash equivalents	**5,632**	(36,919)	**1,717**	4,285	1,449
Cash and cash equivalents at beginning of period/year	**9,267**	53,284	**13,161**	12,346	12,346
Currency translation differences	**195**	(213)	**216**	(479)	(634)
Cash and cash equivalents at end of period/year	**15,094**	16,152	**15,094**	16,152	13,161

The notes on pages 18 to 23 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated financial statements

1. ACCOUNTING PRINCIPLES

The interim report is prepared in the accordance with IAS 34 "Interim financial reporting". It has been prepared under the historical cost convention, as modified by the fair valuation of financial liabilities measured at fair value through profit and loss. The principal accounting policies applied in the preparation of the Group's condensed consolidated financial statements are consistent with those presented in the Annual Report for the year ended 31 December 2018, except for Leases as a result of the implementation of IFRS 16, which became effective as from 2019. The Parent Company applies the same accounting principles as the Group.

As at 30 June 2019, the Group's current liabilities exceeded current assets by EUR 27.0m. Amounts committed on acquisition include current contingent considerations amounting to EUR 34.1m. Since the contractual terms of related acquisitions are such that future payments depend on the achievements of target earnings and that a significant amount of these payments can be paid up in shares, the directors consider that the liquidity risk associated with these transactions is less significant. Furthermore the Parent Company obtained a revolving bank facility of EUR 30m during the year 2018, which can be used to fund such obligations. The Company utilised EUR 3m during the first two quarters of 2019.

The new standards, which became effective on 1 January 2019, have had no or very limited impact on the Group's financial statements, except for the below.

Under IFRS 16, "Leases", a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The Group companies have entered into long-term office leases: these arrangements were classified as operating leases under IAS 17. As at the reporting date, the Group has non-cancellable operating lease commitments in respect of long-term office leases amounting to EUR 9.2m. The Group's management has carried out an assessment of the impact of the standard and the directors concluded that these arrangements fall within the remits of this standard.

The Group applied the standard from its mandatory adoption date of 1 January 2019 and applied the simplified transition approach. As a result, the Group did not restate comparative amounts for the year prior to first adoption. Under this approach, the lease liability is measured at the present value of the remaining lease payments per 30 June 2019, which amounts to EUR 5.7m. The right-of-use asset is initially measured at an amount equivalent to the lease liability with no adjustment to equity, less the accumulated amortisation recognised on the same asset. The adoption of IFRS 16 also resulted in the replacement of operating lease rental expenditure by amortisation of the right-of-use asset, and an interest cost on the lease liability.

As disclosed in the Annual Report for the year ended 31 December 2018, on the basis of the lease arrangements in place on 1 January 2019, management estimated that rental costs of EUR 2.9m for the year ending 31 December 2019 will be replaced by a notional interest charge that is expected to be in the region of EUR 0.5m, and an annual amortisation charge in the region of EUR 2.8m. This will therefore result in a reduction of approximately EUR 0.4m in profitability for the year ending 31 December 2019. Management also estimates that EBITDA for the year ending 31 December 2019 will be improved by EUR 2.9m, as the operating lease payments were included in EBITDA, while the amortisation of the right-of-use assets and interest on the lease liability are excluded from this measure. Rental payments under IFRS 16 are allocated between interest payments and a reduction in the lease liability, with a corresponding impact on the Group's statement of cash flows. The Group's policy is to present interest payments as financing cash flows. Accordingly, lease payments of EUR 2.9m for the year ending 31 December 2019 will be reported in their entirety as a financing cashflow instead of an operating cash flow. The impact of the adoption of IFRS 16, "Leases", on the Group's financial statements is further disclosed in note 11.

2. REVENUE

The revenue of the Group for the second quarter of 2019 is further analysed as follows:

Amounts in '000 (EUR)	**April-June 2019**	April–June 2018	**Jan-June 2019**	Jan–June 2018	Jan–Dec 2018
Search revenue	**20,174**	22,243	**41,825**	42,690	89,866
Subscriptions revenue	**719**	81	**1,672**	81	1,118
Paid revenue	**2,836**	3,785	**6,344**	7,188	13,986
Total revenue	**23,729**	26,109	**49,841**	49,959	104,970

Search revenue comprises of EUR 19.0m (21.0) iGaming revenue, EUR 1.2m (1.2) Financial services revenue for the second quarter of 2019 and EUR 39.5m (40.2) and EUR 2.3m (2.5) respectively for the first six months of 2019. Paid revenue relates to iGaming in its entirety. Subscription revenue is generated by the assets of ParisSportif and Hammerstone Inc, relating to the iGaming and Financial services segment respectively.

3. SEGMENT REPORTING

The Group's operations are reported on the basis of the two operating segments, iGaming and Financial Services. The segments have been identified in accordance with the definition of an operating segment in IFRS 8, Operating Segments. During the current quarter, a change in the organisational structure was communicated such that the operations of the Group will be reported on the basis of three operating segments, namely, Casino, Sports and Financial Services. This change was implemented on the 1 July 2019. Therefore, until the end of the current quarter, the CEO and Board continued to monitor performance of the two segments disclosed below and allocated resources on the basis of these segments. There were no intersegmental revenues during the period. Further, total assets and liabilities for each reportable segment are not presented, since they are not referred to for monitoring purposes. The tables below show figures for the second quarter of 2019 and for the corresponding quarter in previous year.

	April–June 2019				April–June 2018			
Amounts in '000 (EUR)	iGaming	Financial services	Unallocated	**Total**	iGaming	Financial services	Unallocated	**Total**
Revenue from external customers *	22,250	1,479	–	**23,729**	24,864	1,245	–	**26,109**
Total revenue	22,250	1,479	–	**23,729**	24,864	1,245	–	**26,109**
Direct costs	(3,119)	(129)	–	**(3,248)**	(3,610)	(103)	–	**(3,713)**
Personnel expenses	(5,007)	(590)	–	**(5,597)**	(4,606)	(108)	–	**(4,714)**
Depreciation and amortisation	(3,279)	(65)	–	**(3,344)**	(1,971)	(115)	–	**(2,086)**
Non-recurring costs								
IPO and bond related costs	–	–	(47)	**(47)**	–	–	–	**–**
Reorganisation costs	–	–	(57)	**(57)**	–	–	–	**–**
Other operating expenses	(4,826)	(556)	–	**(5,382)**	(5,148)	(425)	–	**(5,573)**
Total operating expenses	(16,231)	(1,340)	(104)	**(17,675)**	(15,335)	(751)	–	**(16,086)**
Operating profit/(loss)	6,019	139	(104)	**6,054**	9,529	494	–	**10,023**
Interest payable on borrowings	–	–	(2,167)	**(2,167)**	–	–	(2,121)	**(2,121)**
Other gains on bond liability at fair value through profit or loss	–	–	3000	**3,000**	–	–	–	**–**
Other finance costs	–	–	(79)	**(79)**	–	–	(1,687)	**(1,687)**
Other finance income	–	–	254	**254**	–	–	–	**–**
Profit/(loss) before tax	6,019	139	904	**7,062**	9,529	494	(3,808)	**6,215**
Tax expense	–	–	(223)	**(223)**	–	–	(569)	**(569)**
Profit/(loss) for the period attributable to the equity holders of the Parent Company	6,019	139	681	**6,839**	9,529	494	(4,377)	**5,646**
Other comprehensive income								
Items that may be reclassified to profit for the period/year								
Currency translation differences	–	–	(136)	**(136)**	–	–	(40)	**(40)**
Items that will not be reclassified to profit for the period/year								
Loss on disposal of other investments	–	–	–	**–**	–	–	(589)	**(589)**
Total other comprehensive loss for the period	–	–	(136)	**(136)**	–	–	(629)	**(629)**
Total comprehensive/(loss) income attributable to the equity holders of the Parent Company	6,019	139	545	**6,703**	9,529	494	(5,006)	**5,017**
Adjusted EBITDA	9,298	204	–	**9,502**	11,500	609	–	**12,109**
Adjusted EBITDA margin	42%	14%		**40%**	46%	49%	–	**46%**
NDCs ('000)	99	1	–	**100**	137	3	–	**140**

* Revenue reported under Financial services includes Financial services' revenue of EUR 1.2m and Subscriptions revenue amounting to EUR 0.3m.

	Jan–June 2019				Jan–June 2018			
Amounts in '000 (EUR)	iGaming	Finance	Unallocated	**Total**	iGaming	Finance	Unallocated	**Total**
Revenue form external customers	46,876	2,965	–	**49,841**	47,547	2,412	–	**49,959**
Total revenue	46,876	2,965	–	**49,841**	47,547	2,412	–	**49,959**
Direct cost	(6,248)	(383)	–	**(6,631)**	(6,841)	(103)	–	**(6,944)**
Personal expenses	(10,089)	(1,135)	–	**(11,224)**	(8,705)	(123)	–	**(8,828)**
Depreciation and amortisation	(6,505)	(219)	–	**(6,724)**	(3,670)	(240)	–	**(3,910)**
Non-recurring costs:								
IPO and bond related costs	–	–	(47)	**(47)**	–	–	(1,936)	**(1,936)**
Reorganisation costs	–	–	(57)	**(57)**	–	–	(61)	**(61)**
Other operating expenses	(9,974)	(1,323)	–	**(11,297)**	(9,164)	(515)	–	**(9,679)**
Total operating expenses	(32,816)	(3,060)	(104)	**(35,980)**	(28,380)	(981)	(1,997)	**(31,358)**
Operating profit/(loss)	14,060	(95)	(104)	**13,861**	19,167	1,431	(1,997)	**18,601**
Interest payable on borrowings			(4,293)	**(4,293)**	–	–	(7,574)	**(7,574)**
Other gains/(losses) on bond liability at fair value through profit or loss	–	–	1,500	**1,500**	–	–	2,882	**2,882**
Other finance costs	–	–	(2,273)	**(2,273)**	–	–	(2,622)	**(2,622)**
Other finance Income	–	–	254	**254**				
Profit/(loss) before tax	14,060	(95)	(4,916)	**9,049**	19,167	1,431	(9,311)	**11,287**
Tax expense	–	–	(337)	**(337)**	–	–	(986)	**(986)**
Profit for the period/year attributable to the equity holders of the parent company	14,060	(95)	(5,253)	**8,712**	19,167	1,431	(10,297)	**10,301**
Other comprehensive income								
Items that may be reclassified to profit for the period								
Currency translation differences	–	–	(44)	**(44)**	–	–	35	**35**
Items that will not be reclassified to profit for the period/year								
Loss on disposal of other investments	–	–	–	**–**	–	–	(589)	**(589)**
Total other comprehensive loss for the period	–	–	(44)	**(44)**	–	–	(554)	**(554)**
Total comprehensive income/(loss) for the period attributable of the parent company	14,060	(95)	(5,297)	**8,668**	19,167	1,431	(10,851)	**(9,747)**
Adjusted EBITDA	20,565	124		**20,689**	22,837	1,671	–	**24,508**
Adjusted EBITDA margin	44%	4%	–	**41%**	48%	69%	–	**49%**
NDC's ('000)	220	4	–	**224**	265	8	–	**273**

Jan–Dec 2018

Amounts in '000 (EUR)	iGaming	Financial Services	Unallocated	Total
Revenue from external customers*	99,225	5,745	–	**104,970**
Total revenue	99,225	5,745	–	**104,970**
Direct costs	(12,568)	(407)	–	**(12,975)**
Personnel expenses	(18,533)	(681)	–	**(19,214)**
Depreciation and amortisation	(8,250)	(465)	–	**(8,715)**
Non-recurring costs:				
IPO and bond-related costs	–	–	(2,160)	**(2,160)**
Reorganisation costs	–	–	(61)	**(61)**
Other operating expenses	(20,560)	(2,164)	–	**(22,724)**
Total operating expenses	(59,911)	(3,717)	(2,221)	**(65,849)**
Operating profit/(loss)	39,314	2,028	(2,221)	**39,121**
Interest payable on borrowings	–	–	(11,877)	**(11,877)**
Other gains on bond liability at fair value through profit or loss	–	–	8,882	**8,882**
Other finance costs	–	–	(4,606)	**(4,606)**
Other finance income	–	–	1,614	**1,614**
Profit/(loss) before tax	39,314	2,028	(8,208)	**33,134**
Tax expense	–	–	(2,322)	**(2,322)**
Profit/(loss) for the period attributable to the equity holders of the Parent Company	39,314	2,028	(10,530)	**30,812**
Other comprehensive income				
Items that may be reclassified to profit for the year				
Currency translation differences	–	–	67	**67**
Items that may not be reclassified to profit for the year				
Loss on disposal of other investments	–	–	(589)	**(589)**
Total other comprehensive loss for the period	–	–	(522)	**(522)**
Total comprehensive income attributable to the equity holders of the Parent Company	39,314	2,028	(11,052)	**30,290**
Adjusted EBITDA	47,564	2,493	–	**50,057**
Adjusted EBITDA margin	48%	43%	–	**48%**
NDCs ('000)	528	11	–	**539**

* Revenue reported under finance includes finance revenue of EUR 5.0m (nil) and subscription revenue amounting to EUR 0.7m (nil).

4. DIRECT COSTS

Direct costs include costs related to paid revenue, cashbacks and other direct costs.

5. NON-RECURRING COSTS

Non-recurring costs relate to costs that are not deemed to be in the ordinary course of the Catena Media's business, including IPO, bond, credit facility and reorganisation costs. Non-recurring costs incurred during the second quarter of 2019 amounting to EUR 0.1m (nil) related to credit facility costs and reorganisation costs, the latter comprising termination benefits. Non-recurring costs incurred during the financial year ended 31 December 2018 related to bond costs and fees relating to the new bank facility, amounting to EUR 2.2m, and reorganisation costs amounting to EUR 0.1m, the latter comprising termination benefits and the share option cost subject to accelerated vesting upon termination of employment.

6. OTHER INTANGIBLE ASSETS

The Group's acquisitions primarily comprise domains and websites, player databases and in certain instances other components of intellectual property, which include outsourced development. The consideration paid for player databases is determined by reference to the historical average revenue per active player for the portfolio of acquired players over the expected player life. In the instances where other components of acquired intellectual property are identified, the allocation of the consideration was based on an estimate of the replacement value of the asset. The residual value is allocated to domains and websites.

	Group			
Amount in '000 (EUR)	Domains and websites	Player database	Other intellectual property	Total
Cost at 1 January 2019	313,209	16,534	11,525	341,268
Additions	82	1	2,854	2,937
Disposals	(88)	–	–	(88)
Change in estimates	(11,132)	(429)	–	(11,561)
Cost at 30 June 2019	**302,071**	**16,106**	**14,379**	**332,556**
Accumulated amortisation at 1 January 2019	–	(8,767)	(4.129)	(12,896)
Amortisation charge	–	(2,753)	(1,972)	(4,725)
At 30 June 2019	**–**	**(11,520)**	**(6,101)**	**(17,621)**
At 30 June 2019	**302,071**	**4,586**	**8,278**	**314,935**
At 30 June 2018	283,701	9,452	5,618	298,771

Additions of EUR 2.9m related to other intellectual property, which comprises costs for the development of websites and other applications. No asset acquisitions were concluded during the second quarter of 2019. Adjustments recognised as a result of changes in estimates of the likely outcome of a contingent event and change in agreements amounted to EUR -11.6m (-5.6).

7. BORROWINGS

Borrowings per the end of the reporting period comprised a three-year unsecured bond loan ("new bond") amounting to EUR 150.0m, under a framework of EUR 250.0m maturing in March 2021, as well as EUR 3.0m representing the utilised portion of the revolving bank credit facility. The corresponding balance per 31 December 2018 comprised only the new bond amounting to EUR 150.0m. The new bond was listed on Nasdaq Stockholm on 6 April 2018 at a nominal value of EUR 100,000. The debt securities bear a floating rate coupon of Euribor 3m + 5.5 percent. Euribor 3m is subject to a floor of 0 percent.

The new bond was designated by management as a financial liability at fair value through profit and loss, since it contains an embedded derivative that may significantly modify the resulting cashflow. This embedded derivative is an early redemption option, with the redemption price set in accordance with a mechanism defined in the prospectus. The fair value of the bond, which at the end of the reporting period amounted to EUR 145.5m, was determined by reference to multiple broker quotes. Accordingly, the bond's fair value was categorised within IFRS 13 fair value hierarchy as Level 3.

The movements in fair value for the second quarter and for the year ended 31 December 2018 of EUR 3.0m and EUR 8.8m, respectively, are recognised in ''Other (losses)/gains on bond liability at fair value through profit or loss'' in the income statement. If the estimated price of the bond increased by 1%, the estimated fair value of the bond would increase by EUR 1.4m. Similarly, if the estimated price of the bond decreased by 1%, the estimated fair value of the bond would decrease by EUR 1.4m.

8. AMOUNTS COMMITTED ON ACQUISITION

Amounts committed on acquisitions consist of contractual obligations resulting from the purchase of intangible assets from third parties. Some of the obligations have a predetermined value, while others include future payments whose value depends on target earnings. The latter are further referred to as contingent considerations. Expected cash outflows relating to these contingent considerations are assessed by the Directors for each asset acquisition on the basis of their knowledge of the industry and how the economic environment is likely to impact it.

Movements during the period/year are summarised below:

Amounts in '000 (EUR)	**Jan–June 2019**	Jan–June 2018	Jan–Dec 2018
Opening balance	81,910	61,296	61,296
Acquisitions during the period/year	–	76,873	82,862
Settlements/set-offs	(18,521)	(60,043)	(82,776)
Notional interest charges	2,145	1,719	1,920
Adjustments arising as a result of a change in estimate	(12,059)	(4,718)	18,608
Closing balance	**53,475**	**75,127**	**81,910**

The maximum potential undiscounted amount that the Group may be required to settle under such contingent consideration arrangements is EUR 52.3m, of which EUR 36.6m (gross of present value adjustment of EUR -2.5m and excluding an amount of EUR 19.4m, which is not contingent) has been recognised based on estimates of future earnings.

Amounts committed are further analysed as follows:

Amounts in '000 (EUR)	**30 June 2019**	30 June 2018	31 Dec 2018
Current			
Contingent	34,108	22,208	43,884
Non-contingent	19,367	13,335	16,856
	53,475	35,543	60,740
Non-current			
Contingent	–	36,084	21,170
Non-contingent	–	3,500	–
	–	39,584	21,170
Total amounts committed	**53,475**	**75,127**	**81,910**

Contingent considerations are measured at fair value and are included in Level 3 of the fair value hierarchy. The fair value is determined on the date of purchase and subsequently per each reporting date, by calculating the expected cash outflow on each purchase agreement. The expected cash flows are discounted to present value by utilising a discount rate of 6.75 percent. The present value adjustment to the expected cash flows as at 30 June 2019 is EUR 2.5m (5.8). As at 30 June 2019, the total present value adjustment was attributable to amounts committed on acquisition due within twelve months (2.5). The corresponding adjustment impacts the value of the assets acquired, as recognised in the statement of financial position.

The notional interest charge on the contingent considerations is included in "Other finance costs", net of foreign exchange differences.

9. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

Amount in '000 (EUR)	**April–June 2019**	April–June 2018	**Jan–June 2019**	Jan–June 2018	Jan–Dec 2018
Purchases of services:					
Entities with significant shareholding*	**–**	286	**–**	674	566

As of 21 December 2018, Optimizer Invest Limited no longer holds any shares or voting rights in Catena Media plc, and therefore is no longer deemed to be related party. Hence, related party transactions up until this date have been disclosed.

*Purchases of services from entities with significant shareholding comprised consultancy, advisory and success fees payable to Optimizer Invest Limited. Fees relating to acquisitions reflected the amount paid during the periods and not the maximum amount that could be due in terms of contractual agreements in place that are dependent on the achievement of earnings targets. Transactions for the financial year ended 31 December 2018 were affected by credit notes regarding recharge costs relating to the first and second quarter 2018 from Optimizer Invest Limited.

10. BUSINESS COMBINATIONS

On 12 June 2018, the Group acquired 100 percent of the share capital of Hammerstone Inc. in the US. Hammerstone is an instant messaging-based platform that provides subscribers with immediate notifications of market-driving news.

The Group acquired Hammerstone for an initial consideration and an earn-out consideration. The initial purchase price, paid in conjunction with the transfer of the assets, amounted to an upfront payment of USD 5.0m, of which USD 2.0m was paid through newly issued shares at a subscription price of SEK 137.32 per share. A total of 127,440 shares were issued in this regard. During the fourth quarter of 2018, Catena Media agreed to amended terms whereby the earn-out portion amounting to a maximum USD 2.5m based on revenue performance over a period of 12 months, with 40 percent of the earn-out being payable in shares, was replaced by a cash payment of USD 1.2m in full and final settlement for the acquistion. The previously estimated contingent consideration (net of PV adjustment) amounted to USD 2.5m.

Details of net assets acquired and goodwill are as follows:

Purchase consideration	On acquisition EUR '000
Cash settlement	2,574
Share issue and allotment	1,699
Final cash settlement	959
Total purchase consideration	**5,232**
Fair value of net assets acquired (refer to the below)	(599)
Goodwill	**4,633**

The above goodwill is primarily attributed to the potential of the product acquired. The asset and liabilities arising from the acquisition, provisionally determined, are listed in the table below:

	Fair value EUR '000
Subscription database	599
Net assets acquired	**599**

11 ADOPTION OF IFRS 16

This note explains the impact of the adoption of IFRS 16 “Leases” on the Group’s financial statements, which became mandatory as of 1 January 2019. The Group has applied the simplified transition approach and as a result, comparative amounts are not restated, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

On the adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of IAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments discounted using the Group’s incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions. The incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.5%.

From 1 January 2019, each lease payment has been allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Amounts in ‘000 (EUR)	
Operating lease commitments disclosed as of 31 December 2018	10,411
Discounted using the Group’s incremental borrowing rate at 1 January 2019	9,258
Notional interest charge, net of foreign exchange differences	193
Payments	(724)
	8,727
Lease liability recognised as at 1 January 2019	
Analysed as follows:	
Current lease liability	2,389
Non-current lease liability	6,338
	8,727

The current portion of the lease liability is included within “Trade and other payable” on the statement of financial position.

The associated right of use asset for property leases was measured at an amount equivalent to the lease liability plus prepaid lease expenses as of 1 January 2019. The asset is subsequently depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

The recognised right of use asset relates to the following type of asset:

Amounts in ‘000 (EUR)	30 June 2019	1 Jan 2019
Properties	8,238	8,727

Condensed Parent Company interim statements of income and other comprehensive income

Amounts in '000 (EUR)	**April–June 2019**	April–June 2018	**Jan–June 2019**	Jan–June 2018	Jan–Dec 2018
Personnel expenses	**(183)**	(57)	**(338)**	(138)	(427)
IPO, bond and credit facility related costs	**(15)**	–	**(15)**	(1,725)	(1,885)
Recharge of IPO, bond and credit facility related costs to subsidiary	**15**	–	**15**	1,725	1,885
Other operating expenses	**(56)**	(75)	**(105)**	(144)	(281)
Other operating income	**20**	20	**40**	40	80
Total operating expenses	**(219)**	(112)	**(403)**	(242)	(628)
Operating loss	**(219)**	(112)	**(403)**	(242)	(628)
Interest payable on borrowings	**(2,146)**	(2,121)	**(4,294)**	(7,574)	(11,857)
Recharge of interest to subsidiary	**2,146**	2,085	**4,294**	7,536	11,819
Other gains on financial liability at fair value through profit or loss	**3,000**	–	**1,500**	2,882	8,882
Other finance costs	**(5)**	(117)	**(5)**	(132)	(132)
Finance income	**–**	–	**–**	–	58
Profit/(loss) before tax	**2,776**	(265)	**1,092**	2,470	8,142
Tax expense	**–**	–	**–**	–	–
Profit/(loss) for the period - total comprehensive income	**2,776**	(265)	**1,092**	2,470	8,142

Condensed Parent Company interim balance sheet

Amounts in '000 (EUR)	**30 June 2019**	30 June 2018	31 Dec 2018
ASSETS			
Non-current assets			
Investment in subsidiaries	**1,379**	1,061	1,239
Current assets			
Trade and other receivables	**225,439**	205,673	216,438
Cash and cash equivalents	**922**	5,116	837
Total current assets	**226,361**	210 ,789	217,275
Total assets	**227,740**	211,850	218,514
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**85**	83	84
Share premium	**68,008**	55,356	62,301
Other reserves	**1,403**	1,018	1,145
Retained earnings	**8,997**	2,233	7,905
Total equity	**78,493**	58,690	71,435
Liabilities			
Non-current liabilities			
Borrowings	**145,500**	150,000	144,000
Total non-current liabilities	**145,500**	150,000	144,000
Current liabilities			
Trade and other payables	**3,747**	3,160	3,079
Total current Liabilities	**3,747**	3,160	3,079
Total liabilities	**149,247**	153,160	147,079
Total equity and liabilities	**227,740**	211,850	218,514

Definitions of alternative performance measures

ATERNATIVE KEY RATIO	DESCRIPTION	SCOPE
EBITDA	Operating profit before depreciation and amortisation.	The Group reports this key ratio so that users of the report can monitor operating profit and cash flow. This is also used by investors, analysts and the Group's management to evaluate the Group's operational profitability.
EBITDA MARGIN	EBITDA as a percentage of revenue.	The Group reports this key ratio so that the users of the report can monitor the value creation generated by the operation. This is also used by investors, analysts and the Group's management to evaluate the Group's operational profitability.
ADJUSTED EBITDA	EBITDA adjusted for non-recurring expenses.	The Group reports this key ratio because it provides a better understanding of the operating profit than non-adjusted EBITDA, which also provides a more comparable financial measure over time.
ADJUSTED EBITDA MARGIN	Adjusted EBITDA as a percentage of revenue.	The Group reports this key ratio to show the underlying EBITDA margin before non-recurring costs, which provides a better understanding of EBITDA margin than non-adjusted EBITDA margin, which also provides a more comparable financial measure over time.
NDCs (NEW DEPOSITING CUSTOMERS)	New customers placing a first deposit on a client's website.	The Group reports this key figure since it is key to measure revenues and long-term organic growth.
NON-RECURRING COSTS	Costs that are not part of the normal operation of the business.	Non-recurring expenses are costs that do not relate to the ongoing operations of the business. Examples include bond issue costs, IPO costs, including costs associated with any listing changes, as well as reorganisation costs.
ORGANIC GROWTH	Revenue growth rate excluding portfolios and products that have been acquired in the past 12 months. Paid revenue is excluded in the organic growth calculation. Organic growth includes the growth in existing portfolios and products.	The Group reports this key ratio since it is key to measure revenues and long-term organic growth.
REVENUE GROWTH	Increase in revenue compared to the previous accounting period as a percentage of revenue in the previous accounting period.	The Group reports this key ratio so that users of the report can monitor business growth.
QUICK RATIO	Current assets expressed as a percentage of short-term liabilities.	The Group reports this key ratio to show the Company's ability to pay its current obligations by having assets readily convertible to cash.
REVENUE PRODUCTIVITY RATIO	Revenue per average number of employees.	The Group reports this key ratio to be used by management and investors to assess productivity per employee.
ADJUSTED EBITDA PRODUCTIVITY RATIO	Adjusted EBITDA per average number of employees.	The Group reports this key ratio to be used by management and investors to assess productivity per employee.
CASH CONVERSION RATE	Net cash from operating activities divided by EBITDA.	The Group reports this key figure to determine the Company's ability to convert its profits into available cash.