catenamedia

INTERIM REPORT FIRST QUARTER 2019

Interim Report January – March 2019

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

- Revenues increased by 9 percent and totalled EUR 26.1m (23.9)
- EBITDA increased by 8 percent and totalled EUR 11.2m (10.4), corresponding to an EBITDA margin of 43 percent (44)
- Adjusted EBITDA excluding non-recurring costs decreased by 10 percent and totalled EUR 11.2m (12.4), corresponding to an adjusted EBITDA margin of 43 percent (52)
- Net cash generated from operating activities amounted to EUR 9.1m (10.3)
- New Depositing Customers (NDCs) totalled 124,007 (133,322), a decrease of 7 percent
- Earnings per share amounted to EUR 0.03 (0.09) before dilution
- Earnings per share amounted to EUR 0.03 (0.08) after dilution

"The talk of new states regulating has now turned to action. The forecasts are not yet in, but the potential is there to double our US revenues in the second half of 2019."

Per Hellberg / CEO

JAN – MAR 2019
9%
EUR 26.1m
REVENUE GROWTH YOY

JAN – MAR 2019
8%
EUR 11.2m
EBITDA GROWTH YOY

JAN – MAR 2019
8%
ORGANIC GROWTH YOY

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Appointment of interim Group CFO, Erik Edeen
- Notification of major holdings: Optimizer Invest Ltd no longer holds any shares or voting rights in the Company
- Increased number of shares and votes in January 2019 related to incentive programme
- Year-end report 2018
- Resolves upon a directed new share issue as payment for assets acquired in December 2017
- Increased numbers of shares and votes in February 2019 related to acquisition
- Nomination Committee's proposal for Board of Directors for the Annual General Meeting 2019
- Notice of Annual General Meeting 2019
- Publication of Annual Report 2018, changes in financial calendar and language of communication

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- As of 5 April 2019, AP2 holds 6.44% of Catena Media plc's shares and voting rights
- Increased number of shares and votes in April 2019 related to incentive programme

Updated financial targets

Catena Media has two financial targets and one is now revised compared to those previously communicated.

The previously announced growth and earnings target of reaching an adjusted EBITDA of EUR 100m in 2020 has been revised; as external factors are affecting the company, it is expected to be reached in 2021.

The second remains and relates to leverage, where the goal is to operate within a net interest-bearing debt/adjusted EBITDA of 1.5-2.5x.

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. Over the last 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 26 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.

	Jan–Mar 2019	Jan–Mar 2018	**Jan–Dec 2018**
Financial measures defined by IFRS			
Revenues (EUR '000)	**26,112**	23,850	**104,970**
Earnings per share before dilution (EUR)	**0.03**	0.09	**0.56**
Earnings per share after dilution (EUR)	**0.03**	0.08	**0.52**
Weighted average number of outstanding shares at period's end before dilution (EUR '000)	**56,546**	54,164	**55,128**
Weighted average number of outstanding shares at period's end after dilution (EUR '000)*	**62,450**	55,544	**59,590**
Alternative Performance Measures			
EBITDA (EUR '000)	**11,187**	10,402	**47,836**
EBITDA margin (%)	**43**	44	**46**
Adjusted EBITDA (EUR '000)	**11,187**	12,399	**50,057**
Adjusted EBITDA margin (%)**	**43**	52	**48**
Effective tax rate (%)	**5.7**	8.2	**7.0**
New depositing customers ('000)	**124**	133	**539**
Average shareholders' equity (EUR '000)	**127,188**	79,892	**116,366**
Return on equity, rolling 12 months (%)	**22**	27	**26**
Equity to assets ratio (%)	**39**	32	**37**
Quick ratio (%)	**43**	149	**51**
Net interest-bearing liabilities (NIBL) (EUR '000)	**143,733**	96,716	**136,839**
NIBL/EBITDA multiple	**2.96**	2.70	**2.86**
NIBL/adjusted EBITDA multiple	**2.94**	2.36	**2.73**
Net debt/equity ratio multiple (%)	**1.59**	2.15	**1.67**
Equity per share before dilution (EUR)	**2.63**	1.95	**2.53**
Equity per share after dilution (EUR)	**2.38**	1.91	**2.38**
Average number of employees	**383**	286	**332**
Employees at period-end/year-end	**387**	288	**363**
Revenue productivity ratio (EUR '000)	**68**	83	**316**
Adjusted EBITDA productivity ratio (EUR '000)	**29**	43	**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 nil (2.0) in Q1 2019. Non-recurring costs for the period ended 31 March 2018 amounted to EUR 1.9m, while reorganisation costs amounted to EUR 0.1m. Total non-recurring costs and reorganisation costs for the year ended 31 December 2018 amounted to EUR 2.2m and EUR 0.1m respectively.

CEO COMMENTS FOR THE FIRST QUARTER 2019

Building for takeoff in the second half of 2019

Everything we are doing is now converging in the right direction. We are continuing our long-term transformation, based on the strategies of organic growth, fewer but larger brands and increased cost control. During the first quarter, which also tend to start a bit slower due to seasonal effects, we saw that regulations impacted operators negatively, and us in turn, leading to a quarter where our revenues came in below our expectations. We are agilely adapting to changing conditions and expect to see positive developments from the second quarter onwards.

REBOUNDING FROM REGULATORY EFFECTS: SWEDEN

History has taught us that that new regulations tend to initially dampen the markets somewhat before turning upwards again. The new regulation in Sweden further solidified this theory. The regulator introduced new restrictions on operators, which in turn created a new player behaviour, which typically take some time for players to get used to. However it was difficult to foresee the impact this would have, especially on coveted high-spenders. Revenue of many operators dropped dramatically in Sweden. For the long term we expect this will prove beneficial for us. Since operators will need even more players, there should be even higher demand for our services. Additionally, with Swedish legislators considering restricting marketing channels for online gambling, our offering will grow even stronger.

HISTORIC LOW VOLATILITY IN THE FINANCE SECTOR

Last year we reported on circumstances that slowed our financial service segment. Many of those have been put right, but the first quarter provided historic low volatility on heavily traded instruments, which in turn caused operators to heavily reduce their Q1 estimates. This caused another bump in the road for us, but we are on top of the game and continue to execute on our strategy. We have taken significant investments to build a solid infrastructure, which hurts short-term profitability in the financial services segment, but we are now ready to scale up with improved margins.

CONTINUED FOCUS ON EXISTING PRODUCTS

Our existing products are becoming more and more efficient. The core operational focus during the first quarter was to continue the transition from onboarding acquisitions to organic growth, in order to turn certain declining and non-growing Casino products into long-term growth. We have been able to reorganise and transfer personnel to support this direction.

We are continuing to improve our core products. Our top casino brand, AskGamblers has effectively scaled up via a major technical makeover, now enabling us to launch the product into any market globally. We also launched NewCasinos in Germany in April.

POSITIVE OUTLOOK FROM THE US, AS MORE STATES REGULATE GAMBLING THIS YEAR

We are happy with what we have achieved in the US market during the first quarter. New operators are starting up, revenues are increasing as forecast and we are making good margins. The talk of new states regulating has now turned to action. The forecasts are not yet in, but the potential is there to double our US revenues in the second half of 2019. On 17 April, the Gaming Control Board of the state of Pennsylvania affirmed that mobile sports betting is expected to launch by May 2019, and the first online casinos will launch on 15 July. With several large land-based sportsbook operators up and running, there should be plenty of mobile sports betting options for Pennsylvania's bettors at the time of launch. And Catena is very well positioned, with multiple operators already aligned for this launch. Our statewide brands, such as playpennysylvania.com, are already top-ranked for what we believe are relevant searches and relevant content for consumers and local operators. Our national brands, such as PlayUSA.com, BonusSeeker.com, legalsportsreport.com and thelines.com, all have numerous pages dedicated to Pennsylvania. This is a strategy we are well prepared to replicate.

COST-EFFICIENCY

The final leg of our strategy is clear; if we increase cost control we will improve our incremental margins when the revenue accelerates. In the first quarter we turned our cost development trend around, compared to the fourth quarter, to increase cost efficiency. We will continue to reallocate resources, allowing for geographical growth where we introduce new products and expand our major brands into new markets. The specialists we hired to increase traffic have increased revenue without increasing costs going forward. With several indicators pointing in the right direction, we are very well positioned for the future.

Per Hellberg, CEO

Financial performance January – March 2019

REVENUES

Total revenues increased by 9 percent compared to the corresponding period in the previous year and amounted to EUR 26.1m (23.9). Organic growth excluding paid and subscription revenue was 8 percent for the first quarter 2019 when compared to the first quarter of 2018. During the first quarter search revenue represented EUR 21.7m (20.4), paid revenue EUR 3.5m (3.4) and subscription revenue EUR 0.9m (nil) of the total revenues. Revenues derived through revenue sharing arrangements comprised 44 percent of total revenues for the quarter, while revenues from cost per acquisition comprised 39 percent, fixed fees comprised 13 percent and subscription revenue comprised 4 percent. The composition of our revenues remained in line with the prior quarter, the level of the acquisition revenues being impacted by the growth in the US market, which consists mainly of cost per acquisition deals. Revenues from subscriptions, mainly derived from the Financial Services vertical, started to increase as a result of the investment in this vertical.

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

EXPENSES

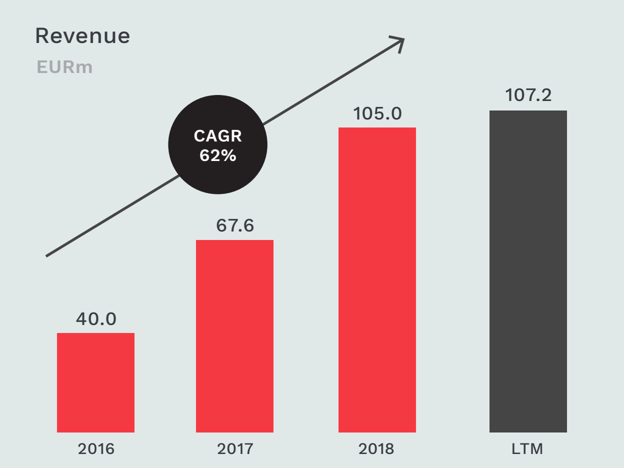
Total operating expenses amounted to EUR 18.4m (15.3).

During the first quarter, both personnel and other operating costs increased, primarily relating to sales and marketing. This is mainly a result of the ongoing investment in the US market and in the Financial Services segment. These strategic investments will continue to strengthen our margins going forward. During the comparative quarter, we refinanced our secured bond of EUR 100m with a new unsecured bond of EUR 150m. Apart from lower interest margins going forward and a more flexible structure, the new bond enabled us to examine the possibility of a multi-currency revolving bank credit facility of EUR 30m or 75 percent of adjusted EBITDA. During the first quarter of 2019, the Company utilised EUR 3.0m as a source of funding, at a low interest rate of 2.5%. Costs relating to the bond and bank credit facility have been recognised and are classified within "Interest payable on borrowings".

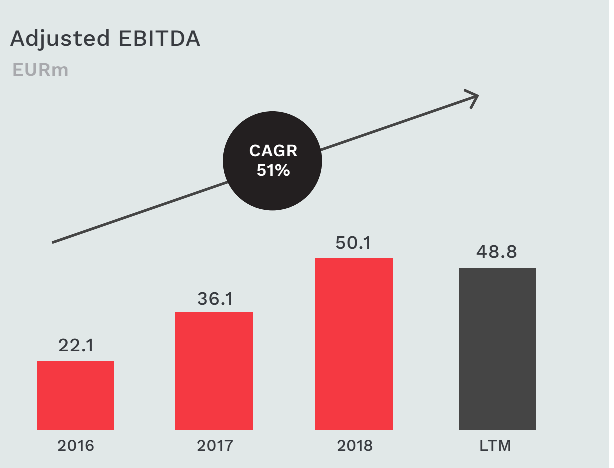
EARNINGS

EBITDA, including non-recurring costs, increased by 7 percent, amounting to EUR 11.2m (10.4). This corresponds to an EBITDA margin of 43 percent (44). Non-recurring costs incurred during the first quarter of 2019 amounted to EUR nil (2.0). Adjusted EBITDA (excluding non-recurring costs) decreased by 10 percent and amounted to EUR 11.2m (12.4). This corresponds to an adjusted EBITDA margin of 43 percent (52). In comparison to the same period of 2018, the lower margin is mainly a result of higher direct, personnel and other operating costs. These comprised professional fees, fees in connection with the setting up of the financial services operations, which also included expenses relating to paid advertising and compliance.

The effective tax rate for the Group amounted to 5.7 percent (8.2) while earnings after tax (EAT) amounted to EUR 1.9m (4.7), a decrease of 60 percent year-on-year. Earnings per share (EPS) before dilution decreased by 67 percent compared with the first quarter of 2018 and amounted to EUR 0.03 (0.09). This decrease in the EPS is attributable to the fair value loss on the bond liability. Earnings per share (EPS) after dilution amounted to EUR 0.03 (0.08). 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.



- 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.

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 quarter of 2019.

INVESTMENTS

Investments in intangible assets amounted to EUR 1.6m (21.2) during the first quarter and were mainly related to outsourced development.

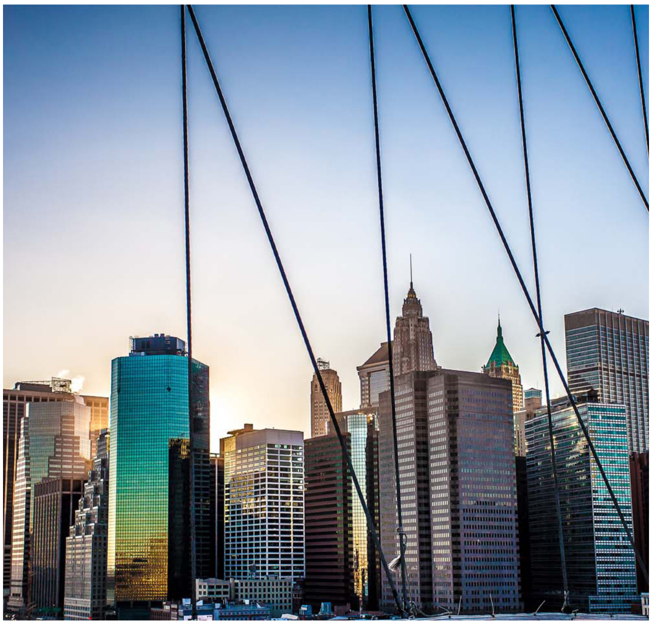
LIQUIDITY AND CASHFLOW

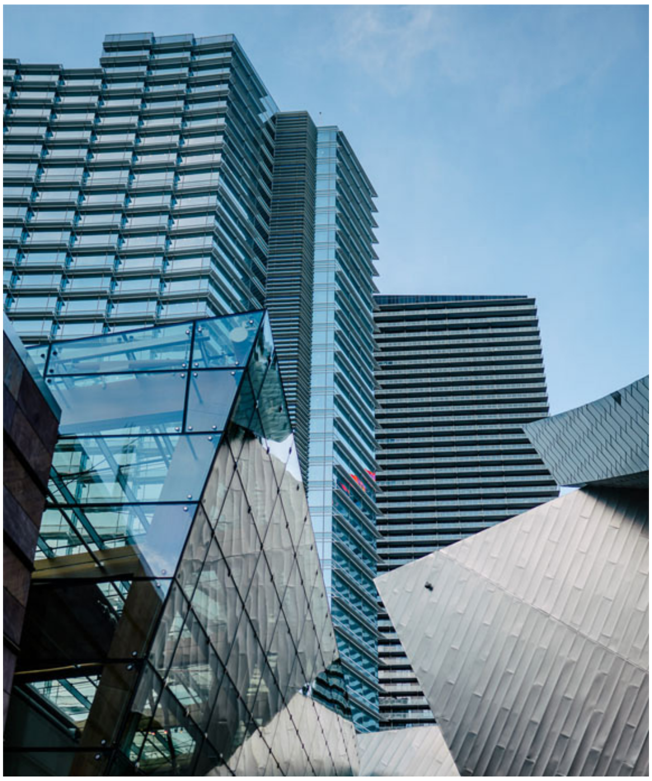
On 31 March, cash and cash equivalents amounted to EUR 9.3m (53.3). High operating cash flow and solid cash conversion underlie Catena Media's operations. Net cash generated from operating activities decreased by 12 percent compared with the first quarter of 2018 and amounted to EUR 9.1m (10.3). This was due to an increase in operating and tax payments during the first quarter. The cash conversion rate amounted to 81 percent.

INTEREST-BEARING DEBT AND LEVERAGE

Catena Media has an outstanding senior unsecured bond of EUR 150m as at 31 March 2019. The bond carries a floating rate of Euribor 3m +5.50 percent. Euribor 3m is subject to a floor of 0 percent. Catena Media has a multicurrency revolving bank facility at Swedbank. EUR 3m of the facility were utilised as of 31 March 2019. The revolving bank facility carries a floating rate of Euribor 3m +2.50 percent in EUR. Euribor 3m is subject to a floor of 0 percent.

The net interest-bearing liability/adjusted EBITDA was 2.95 as at 31 March 2019. As a result of the high growth in revenues, strong operating cash flow and solid cash conversion, the target is to operate within the range of 1.5-2.5 times the adjusted EBITDA.





Our Segments

iGaming

The iGaming segment contains our Casino and Sports betting verticals. The segment increased its revenue by 9 percent to EUR 24.6m and EBITDA was stable at EUR 11.3m, compared with the first quarter of 2018. iGaming has four revenue streams: Cost per Acquisition (CPA), Revenue Share, Fixed Fees and Subscription.

MARKET DEVELOPMENT

In the United States, New Jersey developed according to plan and is still the only state where there are operators conducting iGaming business. Our US operations show healthy growth and we continue to have a strong position in the US market.

In the United Kingdom, where we saw challenges in the fourth quarter 2018, we are back on track and our business is developing according to plan, with a strong underlying performance in many of our products.

On the Swedish market, we experienced a decline in revenue in the first quarter due to new regulations affecting operators. We continue to monitor market developments, based on previous experiences where market regulations are adopted, we have seen a decline before the market stabilises.

Our leading product, AskGamblers, continues to develop according to plan. Revenue was slightly lower compared to the fourth quarter 2018, but in line with expectations related to seasonal effects. Besides maintaining a site comparing different casino operators, AskGamblers allows customers to make claims if operators deviate from payouts in some way. So far, AskGamblers has helped customers claim more than EUR 22m from operators.

TRANSITION TO NEXT STEP

Our product strategy, focusing on fewer, stronger global brands, continued as planned during the first quarter. This adoption will create a good foundation for further expansion and growth into new markets, as well as generating operational benefits and reducing complexity in the long term. In the first quarter we launched products in both Spain and Denmark.

Financial Services

The Financial Services segment contains brands providing relevant content for users interested in trading currencies, shares, and CFD (Contract for Difference) instruments. This segment was launched in early 2018 and is part of our strategy to grow our business outside the iGaming segment.

The segment represented 6 percent of total revenues, totalling EUR 1.5m in the first quarter 2019. EBITDA for the Financial Services segment amounted to a loss of EUR 0.1m in the first quarter. As investments in management, staff, infrastructure, and expansion to new markets have been put in place, the segment is now prepared for further growth. Financial Services has four revenue streams: Cost per Acquisition (CPA), Revenue Share, Fixed Fees and Subscription.

FOCUS ON FINANCIAL SERVICES

The Financial Services segment is moving 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. It is also an educational resource providing research and comparisons for newer traders. Lastly, it rewards traders through a cashback product in certain jurisdictions. Our goal is to become predominant within trading in the Financial Services segment.

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.

SHAREHOLDER STRUCTURE

Shareholders in Catena Media plc per 31 March 2019.

Ten largest shareholders per 31 March 2019	**%**
Bodenholm Capital	9.3%
Ruane, Cunniff & Goldfarb	8.8%
Swedbank Robur fonder	8.6%
Investment Öresund AB	8.6%
Aveny Ltd.	6.4%
Pixel Wizard Ltd.	5.9%
Andra AP-fonden	4.5%
Baybets Ltd.	3.6%
Knutsson Holdings AB	2.6%
Avanza Pension	2.3 %
Sub-total, 10 largest shareholders	**60.6%**
Other shareholders	**39.4%**
Total	**100%**

SHARE CAPITAL

As of 31 March 2019, the share capital amounted to EUR 85,166 divided between 56,777,004 ordinary shares. As of 29 March 2019, the closing price for the Catena Media share was SEK 64.6. 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 31 March 2019 was approximately 10,300.

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.

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 2018 financial year.

FINANCIAL TARGETS

Catena Media has two financial targets and one is now revised compared to those previously communicated. The previously announced growth and earnings target of reaching an adjusted EBITDA of EUR 100m in 2020 has been revised; as external factors are affecting the company, it is expected to be reached in 2021. The second remains and relates to leverage, where the goal is to operate within a net interest-bearing debt/adjusted EBITDA of 1.5-2.5x. The targets are updated due to a delay in US roll-out, uncertainties in launch timings for additional US states, and organic growth prioritised in favour of acquisitions.

EMPLOYEES

As of 31 March 2019, the Group had a total 387 (288) employees, of whom 124 (99) were women and 263 (189) 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, 379 are employed full-time and 8 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 the current and comparative quarters, no dividends were received from subsidiaries. No ''IPO, bond and credit facility related costs'' were incurred during the first quarter of 2019. IPO and bond related costs for the same period in the previous year amounted to EUR 1.7m. Finance costs relating to the bond and to the utilised bank credit facility, classified as "Interest payable on borrowings", amounted to EUR 2.1m during the first quarter. Bond finance costs incurred during the comparative quarter amounted to EUR 5.5m. The interest payable on borrowings has been recharged to Catena Operations Limited.

The fair value movement classified in "Other (losses)/gains on bond liability at fair value through profit or loss", recognised in the first quarter of 2019, resulted in a loss of EUR 1.5m. During the first quarter of 2019, personnel expenses amounted to EUR 0.2m (0.1), while other operating expenses amounted to EUR 0.04m (0.1). The loss for the first quarter of 2019 amounted to EUR 1.7m, while the profit for the same quarter in the previous year amounted to EUR 2.7m.

The Parent Company's cash and cash equivalents amounted to EUR 1.0m (47.3) while borrowings, recognised at fair value through profit and loss, comprising the bond and the bank credit facility, amounted to EUR 148.5m (150.0). Equity amounted to EUR 74.7m (55.6) 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 or future customers – the Group's revenue streams from such customers may be adversely affected. Furthermore, the concerned authority may 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 by the Group to its customers. Once a player directed by the Group has registered with one of its customers, the Group has no direct insight into the activities of such a 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 2019 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 customer'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 – education, healthcare, 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 the 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 that is published 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 the 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=**

PENNSYLVANIA ONLINE CASINOS WILL LAUNCH IN JULY

All eyes have been on the state of Pennsylvania in the US since indications in early 2019 that online casinos there would go live, and it is now expected to launch on 15 July. Online sports betting, meanwhile, could be coming to the state even sooner – with the first mobile apps set to launch within weeks. For Catena Media, with the state-focused playpennsylvania.com as well as numerous US national sites poised to send traffic to operators, this is a welcome announcement. While sources familiar with the regulatory process in the state had already hinted about this announcement, it was confirmed by Pennsylvania Gaming Control Board Executive Director Kevin O'Toole in a letter dated 16 April, and later at a meeting on 17 April. Catena Media has been building a presence in Pennsylvania for the past five years and holds multiple live sites with high rankings in the state.

As soon as operators go live on 15 July, Catena Media will be ready to send them online traffic.No definitive date has yet been set for Pennsylvania Online Sports Betting, but a spokesperson from PGCB confirmed in a statement to one of Catena Media's US national news platforms, legalsportsreport.com, that sportsbook apps were due to enter live testing imminently, with a view to going live within weeks. At the time of writing, eight sportsbooks were up and running within land-based casinos in the state, bringing in $40 million in wagers in March 2019. In comparison, when online sports betting apps went live in New Jersey in August 2018, wagers there reached $400 million within the same month (with 80% of that figure wagered on mobile apps). Comparing these figures alone, the forthcoming arrival of Pennsylvania mobile sports betting is exciting the industry. Catena Media's US GM Michael Daly said of the announcement: "Catena Media has multiple partners already aligned for the launch in Pennsylvania, which we started preparing even before Pennsylvania passed its bill in November 2017. Catena Media's state-focused "Play" brand, playpennsylvania.com, is already well ranked for searching on terms we expect the new customers will look for, and we have stories relevant to consumers and local operators.

Additionally, our national brands, such as PlayUSA.com, Bonusseeker.com, legalsportsreport.com, and thelines.com, all have numerous pages dedicated to Pennsylvania."

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 still allows advertising on the basis of outstanding contracts entered into before that date. In April the Italian Communication Regulatory Authority finally issued its guidelines on the interpretation of the gambling ban.

The guidelines on the interpretation of such ban have been issued in April 2019. Such guidelines do not expressly regulate affiliation activity, but indicate that odds comparator sites – without any form of invitation to play – are not considered advertising, provided they comply with the principles of self-restraint, truthfulness and transparency. In the coming months Catena Media will further assess the implications of these guidelines on its current business operations, intending to continue conducting business as usual, while ensuring compliance with Italian law.

CATENA MEDIA - US AFFILIATE OF THE YEAR 2019

To top off an excellent year in the US, on 11 April Catena Media received the Affiliate of the Year award from EGR North America at a ceremony in Atlantic City, New Jersey. The EGR awards, which are officiated by accountancy giant Deloitte, celebrate the operators and service providers who showed outstanding performance and innovation within the online gaming industry. Catena Media's achievement, in the eyes of the judges: "Highly-differentiated portfolio, with several key sites recognized as industry editorial leaders. Thoroughness of product and quality of writing/reporting create an especially valuable value added."

ASKGAMBLERS WINS BEST CASINO WEBSITE 2019

The iGB Affiliate Awards is now in its 12th year and this year, nominees across 20 industry verticals met for the ceremony in London. The AskGamblers team scooped the "Best Casino Website" award based upon their strong brand power, unparalleled reputation among their players, and their well-established reputation in the affiliate community. Catena Media's products have featured heavily in the list of past winners too, with AskFans winning "Best Innovation in 2018" and AskGamblers collecting the "Best Casino Website" Award in 2017 (winning for the third consecutive time).

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/**.

The Annual General Meeting will be held on 2 May 2019 at 3:00 pm at Tändstickspalatset, Västra Trädgårdsgatan 15, Stockholm, Sweden.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Notification of major holdings in Catena Media plc, March 2019. Andra AP-fonden ("AP2"), as of 5 April 2019, holds 6.44 percent of the voting rights in the Company.
- Increased number of shares and votes in Catena Media plc in April 2019 regarding incentive programme.

PRESENTATION TO INVESTORS AND MEDIA

A live conference call will be held on 2 May 2019 at 9:00 am CET, at which CEO Per Hellberg and interim Group CFO Erik Edeen will present the 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-q1-2019**

To participate in the conference, please call:

UK	**+ 44 333 300 9264**
Sweden	**+ 46 8 505 583 58**
US	**+ 1 833 526 8347**

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

CHANGES IN FINANCIAL CALENDAR AND LANGUAGE OF COMMUNICATION

On 29 March Catena Media announced changes in its financial calendar in light of changes in its internal financial reporting processes.

The updated financial calendar:

Interim report April – June 2019	19 August 2019
Interim report July – September 2019	18 November 2019

In Q1 the Board of Directors further resolved to limit Catena Media's language of communication to English, as Catena Media's corporate language is English, its organisation is located in both Europe and the US, and it has a significant international shareholder base. The transition is made in connection with the this interim report for January - March 2019. Thus, as of 2 May 2019, Catena Media will only communicate and prepare financial reports and press releases in the English language.

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, 2 May 2019

THE BOARD OF DIRECTORS

Kathryn Moore Baker,
Chairwoman

Henrik Persson Ekdahl

Andre Lavold

Öystein Engebretsen

Mats Alders

Mathias Hermansson

Cecilia Qvist

Upcoming dates

2 May 2019
Annual General Meeting 2019

Tändstickspalatset
Västra Trädgårdsg. 15
Stockholm, Sweden

19 August 2019
Interim report Q2
January–July 2019

Tändstickspalatset
Västra Trädgårdsg. 15
Stockholm, Sweden

18 November 2019
Interim report Q3
January–September 2019

Tändstickspalatset
Västra Trädgårdsg. 15
Stockholm, Sweden

20 February 2020
Year-end report
January–December 2019

For further information, please contact

Per Hellberg, CEO
+46 709 10 74 10, per.hellberg@catenamedia.com

Erik Edeen, Interim Group CFO
+46 768 47 23 19, erik.edeen@catenamedia.com

Åsa Hillsten, Head of IR & Communication
+46 700 81 81 17, asa.hillsten@catenamedia.com

REGISTERED OFFICE

Quantum Place, Triq ix-Xatt
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. The information was submitted for publication, through the agency of the contact persons above, on 2 May 2019 at 7:00 am CET.

Condensed consolidated interim statement of comprehensive income

Amounts in '000 (EUR)	Notes	**Jan–Mar 2019**	Jan–Mar 2018	Jan–Dec 2018
Revenue	2	**26,112**	23,850	104,970
Total revenue		**26,112**	23,850	104,970
Direct costs	4	**(3,383)**	(3,231)	(12,975)
Personnel expenses		**(5,627)**	(4,114)	(19,214)
Depreciation and amortisation		**(3,380)**	(1,824)	(8,715)
Non-recurring costs:				
IPO, bond and credit facility related costs	5	**–**	(1,936)	(2,160)
Reorganisation costs	5	**–**	(61)	(61)
Other operating expenses		**(5,915)**	(4,106)	(22,724)
Total operating expenses		**(18,305)**	(15,272)	(65,849)
Operating profit		**7,757**	8,578	39,121
Interest payable on borrowings		**(2,126)**	(5,453)	(11,877)
Other (losses)/gains on bond liability at fair value through profit or loss		**(1,500)**	2,882	8,882
Other finance costs		**(2,194)**	(935)	(4,606)
Other finance income		**–**	–	1,614
Profit before tax		**1,987**	5,072	33,134
Tax expense		**(114)**	(417)	(2,322)
Profit for the period/year attributable to the equity holders of the Parent Company		**1,873**	4,655	30,812
Other comprehensive income				
Items that may be reclassified to profit for the period/year				
Currency translation differences		**93**	75	67
Items that will not be reclassified to profit for the period/year				
Loss on disposal of other investments		–	–	(589)
Total other comprehensive income/(loss) for the period/year		**93**	75	(522)
Total comprehensive income attributable to the equity holders of the Parent Company		**1,966**	4,730	30,290
Earnings per share attributable to the equity holders of the parent during the period/year (expressed in EUR per share):				
Basic earnings per share				
From profit for the period/year		**0.03**	0.09	0.56
Diluted earnings per share				
From profit for the period/year		**0.03**	0.08	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	31 Mar 2019	31 Mar 2018	31 Dec 2018
ASSETS				
Non-current assets				
Goodwill	11	**11,966**	7,333	11,966
Right-of-use asset	12	**8,715**	–	–
Other intangible assets	6	**328,110**	253,301	328,372
Property, plant and equipment		**3,881**	3,868	4,009
Other investments	7	**–**	589	–
Total non-current assets		**352,672**	265,091	344,347
Current assets				
Trade and other receivables		**22,802**	14,901	21,412
Cash and cash equivalents		**9,267**	53,284	13,161
Total current assets		**32,069**	68,185	34,573
Total assets		**384,741**	333,276	378,920
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		**85**	82	84
Share premium		**66,558**	51,152	61,770
Other reserves		**6,289**	6,236	6,063
Retained earnings		**75,803**	48,362	73,930
Total equity attributable to the equity holders of the parent		**148,735**	105,832	141,847
Liabilities				
Non-current liabilities				
Borrowings	8	**148,500**	150,000	144,000
Amounts committed on acquisition	9	**2,985**	27,616	21,170
Deferred tax liabilities		**4,385**	3,317	4,598
Lease liability	12	**6,338**	–	–
Total non-current liabilities		**162,208**	180,933	169,768
Current liabilities				
Amounts committed on acquisition	9	**65,521**	40,394	60,740
Trade and other payables		**8,070**	4,911	5,943
Current tax liabilities		**207**	1,206	622
Total current liabilities		**73,798**	46,511	67,305
Total liabilities		**236,006**	227,444	237,073
Total equity and liabilities		**384,741**	333,276	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 **2 May 2019** and were signed on its behalf by:

Kathryn Moore Baker
Chairperson

Per Anders Henrik Persson Ekdahl
Director

Condensed consolidated interim statements of changes in equity

	Attributable to owners of the parent				
Amounts in '000 (EUR)	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	–	–	–	1,873	1,823
Foreign currency translation movement	–	–	93	–	93
Total comprehensive income for the period	–	–	93	1,873	1,916
Transactions with owners					
Issue of share capital	1	4,788	–	–	4,789
Equity-settled share-based payments	–	–	133	–	133
Total transactions with owners	1	4,788	133	–	4,922
Balance at 31 March 2019	**85**	**66,558**	**6,289**	**75,803**	**148,735**

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)	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	–	–	–	4,655	4,655
Foreign currency translation movement	–	–	75	–	75
Total comprehensive income for the period	–	–	75	4,655	4,730
Transactions with owners					
Issue of share capital	1	3,999	–	–	4,000
Equity-settled share-based payments	–	–	84	–	84
Total transactions with owners	1	3,999	84	–	4,084
Balance at 31 March 2018	82	51,152	6,236	48,362	105,832

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 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)	**Jan–Mar 2019**	Jan–Mar 2018	Jan–Dec 2018
Cash flows from operating activities			
Profit before tax	**1,987**	5,072	33,133
Adjustments for:			
Depreciation and amortisation	**3,380**	1,824	8,715
Loss on disposal of assets	**90**	–	–
Impairment of receivables	**50**	–	200
Unrealised exchange differences	**788**	245	(1,145)
Interest expense	**3,371**	5,929	15,397
Net losses/(gains) on financial liability at fair value through profit or loss	**1,500**	(2,882)	(8,882)
Share based payments	**149**	84	499
	11,315	10,272	47,917
Taxation paid	**(562)**	–	(964)
Interest Paid	**(111)**	–	–
Changes in:			
Trade and other receivables	**(1,076)**	(1,334)	(9,204)
Trade and other payables	**(490)**	1,333	2,901
Net cash generated from operating activities	**9,076**	10,271	40,650
Cash flows from investing activities			
Acquisition of property, plant and equipment	**(195)**	(571)	(1,346)
Acquisition of intangible assets	**(13,087)**	(12,114)	(73,287)
Acquisition of subsidiary, net of cash acquired	**–**	–	(3,624)
Net cash used in investing activities	**(13,282)**	(12,685)	(78,257)
Cash flows from financing activities			
Net proceeds on borrowings	**3,000**	48,650	48,650
Proceeds on exercise of share options	**40**	–	1,862
Interest paid	**(2,152)**	(5,032)	(11,456)
Lease payments	**(613)**	–	–
Net cash generated from financing activities	**275**	43,618	39,056
Net movement in cash and cash equivalents	**(3,931)**	41,204	1,449
Cash and cash equivalents at beginning of period/year	**13,161**	12,346	12,346
Currency translation differences	**37**	(266)	(634)
Cash and cash equivalents at end of period/year	**9,267**	53,284	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.

Per 31 March 2019, the Group’s current liabilities exceeded current assets by EUR 41.7m. Amounts committed on acquisition include current contingent considerations amounting to EUR 62.0m. 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 current quarter.

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. Per the reporting date, the Group has non-cancellable operating lease commitments in respect of long-term office leases amounting to EUR 9.8m. 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 31 March 2019, which amounts to EUR 8.7m. The right-of-use asset is initially measured at an amount equivalent to the lease liability with no adjustment to equity, less the accumulated depreciation 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 12.

2. REVENUE

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

Amounts in ‘000 (EUR)	**Jan-Mar 2019**	Jan–Mar 2018	Jan–Dec 2018
Search revenue	**21,651**	20,447	89,866
Subscriptions revenue	**953**	–	1,118
Paid revenue	**3,508**	3,403	13,986
Total revenue	**26,112**	23,850	104,970

During the first quarter search revenue comprised EUR 20.5m (19.2) iGaming revenue and EUR 1.2m (1.2) Financial services revenue. During the financial year ended 31 December 2018, search revenue comprised EUR 84.7m iGaming revenue and EUR 5.2m Financial services revenue. Paid revenue relates to iGaming in its entirety. Subscription revenue is generated by the assets of ParisSportif and Hammerstone Inc, thus both 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. The CEO and Board monitor performance of the two segments and allocate 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 first quarter of 2019 and for the corresponding quarter in previous year.

Jan–Mar 2019

Amounts in '000 (EUR)	iGaming	Financial services	Unallocated	**Total**
Revenue from external customers *	24,626	1,486	–	**26,112**
Total revenue	24,626	1,486	–	**26,112**
Direct costs	(3,129)	(254)	–	**(3,383)**
Personnel expenses	(5,082)	(545)	–	**(5,627)**
Depreciation and amortisation	(3,226)	(154)	–	**(3,380)**
Other operating expenses	(5,148)	(767)	–	**(5,915)**
Total operating expenses	(16,585)	(1,720)	–	**(18,305)**
Operating profit	8,041	(234)	–	**7,807**
Interest payable on borrowings	–	–	(2,126)	**(2,126)**
Other losses on bond liability at fair value through profit or loss	–	–	(1,500)	**(1,500)**
Other finance costs	–	–	(2,194)	**(2,194)**
Profit/(loss) before tax	8,041	(234)	(5,820)	**1,987**
Tax expense	–	–	(114)	**(114)**
Profit/(loss) for the period attributable to the equity holders of the Parent Company	8,041	(234)	(5,934)	**1,873**
Other comprehensive income				
Items that may be reclassified to profit for the period/year				
Currency translation differences	–	–	93	**93**
Total other comprehensive loss for the period	–	–	93	**93**
Total comprehensive income attributable to the equity holders of the Parent Company	8,041	(234)	(5,841)	**1,966**
Adjusted EBITDA	11,267	(80)	–	**11,187**
Adjusted EBITDA margin	46%	(5%)	–	**43%**
NDCs ('000)	122	2	–	**124**

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

Jan–Mar 2018

Amounts in ‘000 (EUR)	iGaming	Finance	Unallocated	**Total**
Revenue form external customers	22,683	1,167	–	**23,850**
Total revenue	22,683	1,167	–	**23,850**
Direct cost related to Paid revenue	(3,231)	–	–	**(3,231)**
Personal expenses	(4,099)	(15)	–	**(4,114)**
Depreciation and amortisation	(1,699)	(125)	–	**(1,824)**
Non-recurring costs:				
IPO and bond related costs	–	–	(1,936)	**(1,936)**
Reorganisation costs	–	–	(61)	**(61)**
Other operating expenses	(4,016)	(90)	–	**(4,106)**
Total operating expenses	(13,045)	(230)	(1,997)	**(15,272)**
Operating profit	9,638	937	(1,997)	**8,578**
Interest payable on borrowings	–	–	(5,453)	**(5,453)**
Other gains/(losses) on bond liability at fair value through profit or loss	–	–	2,882	**2,882**
Other finance costs	–	–	(935)	**(935)**
Profit before tax	9,638	937	(5,503)	**5,072**
Tax expense	–	–	(417)	**(417)**
Profit for the period/year attributable to the equity holders of the parent company	9,638	937	(5,920)	**4,655**
Other comprehensive income				
Items that may be reclassified to profit for the period				
Currency translation differences	–	–	75	**75**
Total comprehensive income for the period attributable of the parent company	9,638	937	(5,845)	**4,730**
Adjusted EBITDA	11,337	1,062	–	**12,399**
Adjusted EBITDA margin	50%	91%	–	**52%**
NDC’s (‘000)	128	5	–	**133**

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. No non-recurring costs were incurred during the first quarter of 2019. During the same quarter in the previous year, bond costs amounted to EUR 1.9m, while reorganisation costs, which comprised termination benefits, amounted to EUR 0.1m. 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	16	–	1,594	1,610
Disposals	(88)	–	–	(88)
Change in estimates	690	(33)	–	657
Cost at 31 March 2019	**313,827**	**16,501**	**13,119**	**343,447**
Accumulated amortisation at 1 January 2019	–	(8,767)	(4,129)	(12,896)
Amortisation charge	–	(1,482)	(959)	(2,441)
At 31 March 2019	**–**	**(10,249)**	**(5,088)**	**(15,337)**
At 31 March 2019	**313,827**	**6,252**	**8,031**	**328,110**
At 31 March 2018	240,599	8,233	4,469	253,301

Additions of EUR 1.6m related to other intellectual property, which comprises costs for the development of websites and other applications. No asset acquisitions were concluded during the first 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 0.6m (1.4).

7. OTHER INVESTMENTS

Other investments included financial assets at fair value through other comprehensive income (previously recognised as available-for-sale financial assets under IAS 39), which were disposed of during the second quarter of 2018.

8. 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 first quarter and for the year ended 31 December 2018 of EUR 1.5m and EUR 8.9m, 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.

9. 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–Mar 2019**	Jan–Mar 2018	Jan–Dec 2018
Opening balance	81,910	61,296	61,296
Acquisitions during the period/year	–	28,453	82,862
Settlements/set-offs	(16,002)	(14,711)	(82,776)
Notional interest charges	1,940	209	1,920
Adjustments arising as a result of a change in estimate	658	(7,237)	18,608
Closing balance	**68,506**	**68,010**	**81,910**

The maximum potential undiscounted amount that the Group may be required to settle under such contingent consideration arrangements is EUR 125.9m, of which EUR 69.6m (gross of present value adjustment of EUR -4.6m and excluding an amount of EUR 3.5m, which is not contingent) has been recognised based on estimates of future earnings.

Amounts committed are further analysed as follows:

Amounts in '000 (EUR)	**31 Mar 2019**	31 Mar 2018	31 Dec 2018
Current			
Contingent	62,021	36,994	43,884
Non-contingent	3,500	3,400	16,856
	65,521	40,394	60,740
Non-current			
Contingent	2,985	27,616	21,170
Non-contingent	–	–	–
	2,985	**27,616**	**21,170**
Total amounts committed	**68,506**	**68,010**	**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 per 31 March 2019 is EUR 4.6m (9.0), which is attributable to amounts committed on acquisition due within twelve months (3.3). 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.

10. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

Amount in ‘000 (EUR)	**Jan–Mar 2019**	Jan–Mar 2018	Jan–Dec 2018
Purchases of services:			
Entities with significant shareholding*	**–**	388	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 for the financial year ending 31 December 2018.

*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.

11. 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**

12 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
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.

Condensed Parent Company interim statements of income and other comprehensive income

Amounts in '000 (EUR)	**Jan–Mar 2019**	Jan–Mar 2018	Jan–Dec 2018
Investment and related income	**–**	–	–
Personnel expenses	**(155)**	(81)	(427)
IPO, bond and credit facility related costs	**–**	(1,725)	(1,885)
Recharge of IPO, bond and credit facility related costs to subsidiary	**–**	1,725	1,885
Other operating expenses	**(49)**	(69)	(281)
Other operating income	**20**	20	80
Total operating expenses	**(184)**	(130)	(628)
Operating loss	**(184)**	(130)	(628)
Interest payable on borrowings	**(2,148)**	(5,453)	(11,857)
Recharge of interest to subsidiary	**2,148**	5,451	11,819
Other (losses)/gains on bond liability at fair value through profit or loss	**(1,500)**	2,882	8,882
Other finance costs	**–**	(15)	(132)
Finance income	**–**	–	58
(Loss)/profit before tax	**(1,684)**	2,735	8,142
Tax expense	**–**	–	–
(Loss)/profit for the period/year - total comprehensive income	**(1,684)**	2,735	8,142

Condensed Parent Company interim balance sheet

Amounts in ’000 (EUR)	31 Mar 2019	31 Mar 2018	31 Dec 2018
ASSETS			
Non-current assets			
Investment in subsidiaries	**1,319**	948	1,239
Current assets			
Trade and other receivables	**224,439**	159,622	216,438
Cash and cash equivalents	**873**	47,308	837
Total current assets	**225,312**	206,930	217,275
Total assets	**226,631**	207,878	218,514
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**85**	82	84
Share premium	**67,090**	51,683	62,301
Other reserves	**1,278**	1,309	1,145
Retained earnings/(accumulated losses)	**6,221**	2,498	7,905
Total equity	**74,674**	55,572	71,435
Liabilities			
Non-current liabilities			
Borrowings	**148,500**	150,000	144,000
Total non-current liabilities	**148,500**	150,000	144,000
Current liabilities			
Trade and other payables	**3,457**	2,306	3,079
Total current Liabilities	**3,457**	2,306	3,079
Total liabilities	**151,957**	152,306	147,079
Total equity and liabilities	**226,631**	207,878	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 reor-ganisation costs.
ORGANIC GROWTH	Revenue growth rate excluding portfolios and products that have been acquired in the past 12 months. 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.
NET INTEREST-BEARING LIABILITIES/ADJUSTED EBITDA RUN RATE MULTIPLE	Net interest-bearing liabilites divided by the adjusted EBITDA for the quarter multiplied by 4.	The Group reports this key ratio as a measure of leverage.