catenamedia

INTERIM REPORT SECOND QUARTER 2020

Interim Report January – June 2020
Record in Revenues and Profits

APRIL – JUNE 2020 (COMPARED WITH APRIL – JUNE 2019)

- Operating revenue amounted to EUR 27.8m (23.7), resulting in an increase of 17 percent.
- Adjusted EBITDA increased by 56 percent and totalled EUR 14.8m (9.5), corresponding to an adjusted EBITDA margin of 53 percent (40).
- EBITDA, including exceptional costs of EUR 1.7m (0.1), increased by 38 percent and totalled EUR 13.0m (9.4), corresponding to an EBITDA margin of 47 percent (40).
- Net cash generated from operating activities amounted to EUR 17.4m (10.4).
- On 30 June, cash and cash equivalents amounted to EUR 82.6m (15.1).
- New Depositing Customers (NDCs) totalled 104,326 (99,981), an increase of 4 percent.
- Earnings per share amounted to EUR -0.13 (0.12) before dilution.
- Earnings per share amounted to EUR -0.07 (0.11) after dilution.

JANUARY – JUNE 2020 (COMPARED WITH JANUARY – JUNE 2019)

- Operating revenue amounted to EUR 54.5m (49.8) resulting in an increase of 9 percent.
- Adjusted EBITDA increased by 34 percent and totalled EUR 27.7m (20.7), corresponding to an adjusted EBITDA margin of 51 percent (42).
- EBITDA, including exceptional costs of EUR 2.2m (0.1), increased by 24 percent and totalled EUR 25.5m (20.6), corresponding to an EBITDA margin of 47 percent (41).
- Net cash generated from operating activities amounted to EUR 28.6m (19.5).
- On 30 June, cash and cash equivalents amounted to EUR 82.6m (15.1).
- New Depositing Customers (NDCs) totalled 223,855 (223,988), a decrease of 0.1 percent.
- Earnings per share amounted to EUR 0.02 (0.15) before dilution.
- Earnings per share amounted to EUR 0.01 (0.14) after dilution.

"Our company set records this quarter with an all-time high in profits, 17 percent in total revenue growth compared to last year, and a record in organic search revenues."

Per Hellberg / CEO

Q2 KEY TAKEAWAYS

- Records in revenues, organic search revenues, and profits.
- Casino segment as key revenue driver with all-time highs in revenue for AskGamblers, the US and the Japanese sites.
- Best quarter ever for the US business despite lack of Sports.
- Gradual recovery for the Sports business towards the end of the quarter.
- A major Google update impacted traffic numbers negatively, while conversion rates and revenues were not necessarily hit in the same way.
- Resilient and adaptable business and organisation successfully faced the challenges of Covid-19 and its impact around the globe.
- Successful conclusion of our Rights Issue and refinancing process.
- Ratio of net interest-bearing liabilities to adjusted EBITDA ("leverage") of 1.68, being in line with the company's long-term target of remaining below 1.75.
- Q3 had a positive start with July revenues +7% YOY and showing growth compared to June 2020.

APRIL – JUNE 2020

17%

EUR 27.8m

REVENUE GROWTH YOY

APRIL – JUNE 2020

28%

EUR 25.8m

ORGANIC SEARCH REVENUE GROWTH YOY

APRIL – JUNE 2020

56%

EUR 14.8m

ADJUSTED EBITDA GROWTH YOY

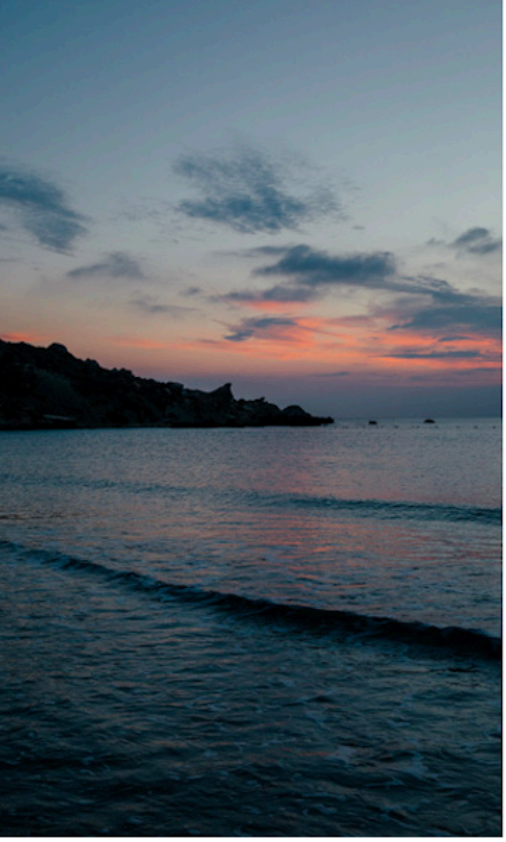
APRIL – JUNE 2020

53%

ADJUSTED EBITDA MARGIN

"With the successful conclusion of our refinancing process, we managed to significantly reduce our leverage already and align the long-term interest of all stakeholders, and in particular our shareholders. While continuing to deliver on our strategy, we track towards a leverage of 1.00 by year-end."

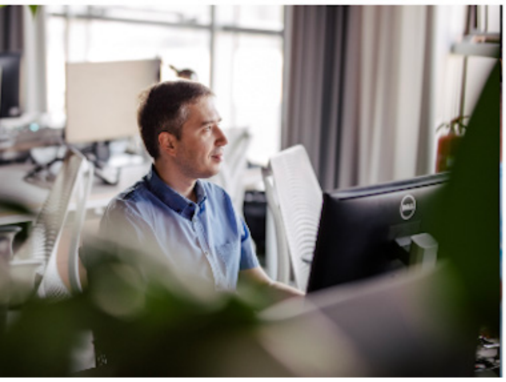
Peter Messner / Group CFO

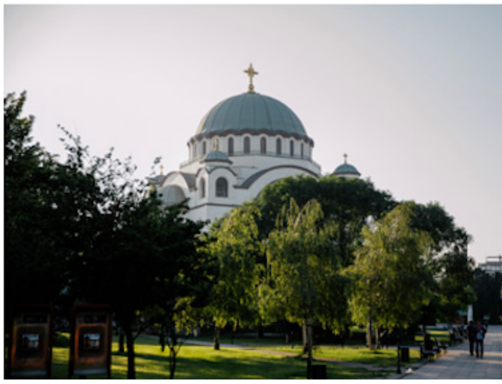


CATENA MEDIA IN BRIEF

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 400 employees in the US, Canada, Australia, Japan, Serbia, the UK, Sweden, Italy and Malta (HQ). Total sales in 2019 reached EUR 102.8m. 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, powered by a scalable business model and an advanced technology platform. We have carried out several 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 Sports, Casino 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 returns 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 aims to be the true leader: setting the benchmark through cutting-edge business intelligence, continuous innovation, quality content, regulatory compliance and social responsibility.

Well-distanced from our competitors, we 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 2020	April–June 2019	**Jan–June 2020**	Jan–June 2019	Jan–Dec 2019
Financial measures defined by IFRS					
Revenues (EUR '000)	**27,781**	23,729	**54,479**	**49,841**	102,817
Earnings per share before dilution (EUR)	**(0.13)**	0.12	**0.02**	**0.15**	(0.18)
Earnings per share after dilution (EUR)	**(0.07)**	0.11	**0.01**	**0.14**	(0.17)
Weighted average number of outstanding shares at period's end before dilution (EUR '000)	**61,569**	56,865	**61,017**	**56,706**	57,556
Weighted average number of outstanding shares at period's end after dilution (EUR '000)	**107,885**	62,126	**107,332**	**62,126**	60,676
Alternative Performance Measures					
EBITDA (EUR '000)	**13,019**	9,398	**25,501**	**20,585**	40,506
EBITDA margin (%)	**47**	40	**47**	**41**	39
Adjusted EBITDA (EUR '000)	**14,765**	9,502	**27,699**	**20,689**	43,471
Adjusted EBITDA margin (%)*	**53**	40	**51**	**42**	42
Effective tax rate (%)	**-5.6**	3.2	**31**	**3.7**	-1.7
New depositing customers ('000)	**104**	100	**224**	**224**	437
Average shareholders' equity, last 12 months (EUR '000)	**172,374**	137,571	**172,374**	**137,571**	158,626
Return on equity, rolling 12 months (%)	**(0.2)**	21	**(0.2)**	**21**	(7)
Equity-to-assets ratio (%)	**55**	42	**55**	**42**	44
Quick ratio (%)	**148**	57	**148**	**57**	123
Net interest-bearing liabilities (NIBL) (EUR '000)	**84,894**	137,906	**84,894**	**137,906**	150,214
NIBL/EBITDA multiple	**1.87**	3.00	**1.87**	**3.00**	3.71
NIBL/adjusted EBITDA multiple	**1.68**	2.98	**1.68**	**2.98**	3.46
Debt/equity ratio multiple	**0.81**	1.40	**0.81**	**1.40**	1.26
Equity per share before dilution (EUR)	**3.64**	2.75	**3.67**	**2.75**	2.55
Equity per share after dilution (EUR)	**2.08**	2.52	**2.09**	**2.51**	2.42
Average number of employees	**392**	389	**393**	**386**	396
Employees at period-end/yearend	**392**	395	**392**	**395**	404
Productivity ratio (EUR '000)	**71**	61	**139**	**129**	260
Adjusted EBITDA productivity ratio (EUR '000)	**38**	24	**70**	**54**	110

.*Adjusted for reorganisation costs of EUR 0.1m (0.1), credit facility and refinancing-related costs of EUR 1.7m (0.05) in Q2 2020. Adjustments for the period ended 30 June 2020 related to reorganisation costs of EUR 0.5m (0.1), credit facility and refinancing-related costs of EUR 1.7m (nil). Adjustments for the year ended 31 December 2019 related to reorganisation costs of EUR 0.3m, credit facility costs of EUR 0.1m, loss allowances on trade receivables of EUR 2.7m and impairment on intangible assets of EUR 32.1m.

CEO COMMENTS FOR THE SECOND QUARTER 2020

Weathering the storm with style

This first half-year is one for the history books, given the global disruptions brought on by the Covid-19 pandemic. This also makes our second quarter report all the more remarkable. Ordinarily, the second quarter is a weak one seasonally, and even more so this year because of the sudden lack of sports events. And yet our company set records this quarter with an all-time high in profits, 17 percent in total revenue growth compared to last year, and a record in organic search revenues.

OUR RESPONSE TO THE PANDEMIC WAS EFFECTIVE

The Sports segment was understandably down by 44 percent compared to last year, following declining sports betting revenues globally due to Covid-19 restrictions, but results were in fact better than we anticipated. Our Casino segment readily took up the slack and became our main revenue driver in Q2, with 76 percent share of total revenues and growth of 59 percent compared to last year.

We did more than just make the best of the pandemic situation. We took early action to secure our organisational cohesion and technological stability in order to keep the business running flexibly. Looking in the rear-view mirror, I can say that our teams quickly learned and adapted as the pandemic impacted our business and their personal lives in March and April. As pandemic restrictions began lifting in May, our Sports business also started growing back. Our Casino business then started settling back to more normal levels after its pandemic-related peaks. This could be seen in the US, for example, when hundreds of land-based casinos re-opened. As expected, June became the lowest-performing month of the second quarter, settling down to a normal summer pattern.

MEETING CHALLENGE AFTER CHALLENGE

A major Google update to its search and ranking algorithms at the beginning of May negatively impacted traffic numbers for some brands while others, for example Catena Media's US brands, saw a positive impact. For those brands that experienced a negative impact, however, conversion rates and revenues were not necessarily hit in the same way, as reflected in the total revenues for the quarter. For those sites that did face a negative impact, we took immediate actions and traffic volumes are expected to grow back during the second half. This type of Google update is a recurring disturbance to any industry with a search engine focused business model. in our search engine optimisation efforts. We are experienced at handling them and we are getting better at managing any short-term effects each time they occur.

Another sign of our adaptability to the challenges this quarter was yet another all-time high in revenues for AskGamblers, with April being its best month ever, and May not far behind, despite the Google update. The team successfully mitigated the impact and AskGamblers continued to perform strongly throughout the quarter, finishing with more than 50 percent higher revenues compared to last year.

RESILIENT AND EXPANDING MARKETS

Our business in Japan has continued to grow strongly and outperformed our own expectations. With our incumbent Casino Online brand, as well as our strong brand portfolio, we see continued high potential and will further invest into growth there.

Our US business, with its key markets Pennsylvania and New Jersey, saw its best-ever quarter, with Casino and Social Casino turning into key drivers during the Covid-19 shutdown. For the first time ever in the history of the US, all 900+ land-based casinos were closed, which provided an additional push for their online counterparts. We believe this will have a lasting impact on online penetration as well. Furthermore, we originally thought the pandemic might negatively impact state regulatory processes, but we witnessed the opposite: Tennessee and Michigan are all preparing to launch, and we are well prepared for them, since we have had a long and active presence in all states that are not yet regulated.

As a part of our growth strategy, we have continued to transform our business and invested in future growth regions such as the US, Latin America, and Asia. This quarter we launched our Sports brand BettingPro in Latin America, with very encouraging early results in traffic. Investments predominantly relate to staff who manage brands and content, as well as marketing expenses, to ensure we establish leading positions.

In our Financial Services segment, focus on our leading brand, AskTraders, more than paid off – with record-high, three-digit growth in traffic – and the brand is now ahead of targets.

FINANCIAL CONTROL

Since we had already implemented stronger cost controls before the outbreak of the pandemic, we were able to navigate through that period in a way that also enabled us to further invest. We will maintain these controls and expect more investments in the second half of the year to strengthen our position where growth opportunities arise – with a prominent example being additional US states opening up.

Our refinancing process, about which we updated the market on a continuous basis, finally concluded just after the end of the quarter. We have seen a pleasing level of interest and over-subscription, with approximately 117 percent in subscribed unit rights. With this rights issue successfully completed and the partial prepayment of outstanding bonds done in mid-July, the company has taken key steps to align capital structure and strategic development to meet our long-term financial targets.

EYES ON THE HORIZON

While the Casino business takes its customary summer holiday, we expect our Sports business to continue growing again in the third quarter: from the re-opening of sports, in particular European football leagues in August, to a planned peak when the NFL kicks off in September in the US. We are mindful, however, that there could be further impacts due to the pandemic and are closely monitoring the situation. Given this irregular sports season in the US, some Q3 revenues might be pushed into Q4, which is why we are focussing on the second half as a whole. With the operational challenges brought by the pandemic now fully under control, we continue to focus our efforts on improving and creating value for the future. With that, we will continue our investments in future growth during the rest of the year and beyond.

Given the extraordinary circumstances over the last few months, our teams did a great job in maintaining our position, with rapid adaptability, good cost control and operational efficiency. Halfway through the year, we have the peak season of the US market ahead of us, and hopefully a growing Sports business around the world again. Finally, I am very proud about how we weathered a tough quarter.

Per Hellberg, CEO

Financial performance April – June 2020

REVENUES
Revenue for the second quarter amounted to EUR 27.8m (23.7), an increase of 17 percent compared to the corresponding quarter of 2019. Organic search revenue growth amounted to 28 percent for the second quarter of 2020 when compared to the same quarter of 2019. During the second quarter, search revenue represented EUR 25.8m (20.2) and hit an all-time-high, paid revenue EUR 1.5m (2.8), and subscription revenue EUR 0.4m (0.7). Revenues derived through revenue-sharing arrangements comprised 42 (47) percent of total revenues for the quarter, while revenues from cost per acquisition comprised 44 (35) percent, fixed fees comprised 13 (15) percent and subscription revenue comprised 1 (3) percent.

EXPENSES
Total operating expenses including exceptional costs amounted to EUR 17.8m (17.7).

Direct costs related to paid revenue decreased when compared to the corresponding period the previous year and amounted to EUR 2.2m (3.2), as a result of a decreased spend in pay-per-click (PPC) costs due to the absence of sports.

Personnel costs increased to EUR 6.2m (5.6) when compared to the corresponding quarter, mainly as a result of the ongoing investment in the growing US market.

Other operating expenses of EUR 4.6m (5.4) decreased when compared to the corresponding quarter, as a result of a decreased spend on SEO support, marketing costs, and human resource and recruitment costs.

Exceptional costs amounted to EUR 1.7m (0.1) during the quarter and mainly comprised credit facility and refinancing costs of EUR 1.7m (0.05) and reorganisation costs of EUR 0.1m (0.1).

EARNINGS
Adjusted EBITDA increased by 56 percent and amounted to EUR 14.8m (9.5). This corresponds to an adjusted EBITDA margin of 53 percent (40). The increase in the margin is a result of an increase in revenue and a decrease in direct costs and other operating expenses, which offset the increase in personnel costs.

EBITDA including exceptional costs of EUR 1.7m (0.1), increased by 38 percent and amounted to EUR 13.0m (9.4). This corresponds to an EBITDA margin of 47 percent (40).

The effective tax rate for the Group amounted to -5.6 percent (3.2), while earnings after tax amounted to a loss of EUR 7.8m compared to a profit of EUR 6.8m in the corresponding quarter. EUR 14.9m of this loss relates to the unrealised loss on financial liabilty measured at fair value. The fair value movement in the corresponding quarter resulted in a gain of EUR 3.0m. Earnings per share (EPS) before dilution amounted to EUR -0.13 (0.12). EPS after dilution amounted to EUR -0.07 (0.11). EPS was also impacted negatively by the revaluation loss of EUR 14.9m attributable to the financial liability.

INVESTMENTS
Investments in intangible assets amounted to EUR 1.2m (1.3) in the second quarter and were mainly related to costs for the development of websites and other applications.

LIQUIDITY AND CASHFLOW
On 30 June, cash and cash equivalents amounted to EUR 82.6m (15.1), EUR 57.0m of which, were raised through the Rights issue. High operating cash flow and solid cash conversion underlie Catena Media's operations. Net cash generated from operating activities increased by 67 percent compared with the second quarter of 2019 and amounted to EUR 17.4m (10.4). The cash conversion rate at the end of the period was 134 percent (111).

Financial performance January – June 2020

REVENUES

The Group's revenues for the first six months of 2020 increased by 9 percent when compared to the corresponding period the previous year and amounted to EUR 54.5m (49.8).

The period's total revenues comprised of EUR 49.8m (41.9) search revenue, EUR 3.9m (6.3) paid revenue and EUR 0.8m (1.7) subscription revenue. Revenues derived through revenue share arrangements comprised 43 (45) percent of total revenues for the first six months of 2020, while 42 (37) percent was derived from cost per acquisition, 14 (14) percent from fixed fees and 1 (4) percent from subscriptions.

EXPENSES

Total operating expenses amounted to EUR 35.4m (36.0). During the first six months of 2020, both direct costs and other operating costs decreased when compared to the corresponding period. These costs amounted to EUR 4.6m (6.6) and EUR 9.8m (11.3), respectively. The reduction in costs primarily related to a decreased spend on pay-per-click (PPC), SEO support, marketing costs and human resource and recruitment costs. Personnel costs increased to EUR 12.4m (11.2) when compared to the corresponding period, mainly as a result of the ongoing investment in the growing US market. During the current period, exceptional costs relating to the credit facility and refinancing amounted to EUR 1.7m (0.05) and reorganisation costs amounted to EUR 0.5m (0.1). These are classified as non-recurring costs.

EARNINGS

Adjusted EBITDA increased by 34 percent and amounted to EUR 27.7m (20.7). This corresponds to an adjusted EBITDA margin of 51 percent (42). The higher margin, compared to the first six months of 2019, is due to continuous cost control as well as lower direct costs and an increased shift towards organic revenues.

EBITDA including exceptional costs of EUR 2.2 (0.1) increased by 24 percent, amounting to EUR 25.5m (20.6). This corresponds to an EBITDA margin of 47 percent (41).

The effective tax rate for the Group amounted to 31.0 percent (3.7), while earnings after tax (EAT) amounted to 1.5m (8.7), a decrease of 83 percent year-on-year. This is a result of the unrealised loss on financial liability of EUR 10.7m during the first half of 2020. The amount for the comparative quarter was a gain on financial liability of EUR 1.5m.

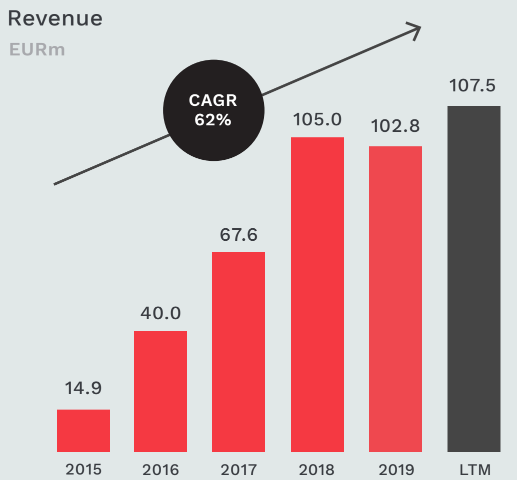
Earnings per share (EPS) before dilution amounted to EUR 0.02 (0.15) and after dilution to EUR 0.01 (0.14).

INVESTMENTS

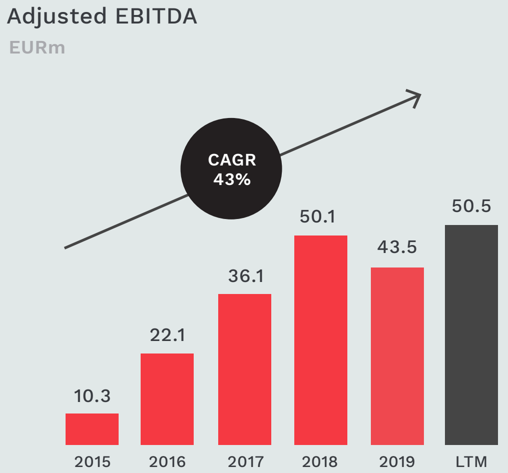
Investments in intangible assets amounted to EUR 2.5m (2.9) in the first six months and were mainly related to costs for the development of websites and other applications.

LIQUIDITY AND CASHFLOW

On 30 June, cash and cash equivalents amounted to EUR 82.6m (15.1), EUR 57.0m of which have been raised through the Rights issue. High operating cash flow and solid cash conversion underlie Catena Media's operations. Net cash generated from operating activities increased by 47 percent compared with the same quarter in the previous year and amounted to EUR 28.6m (19.5). The cash conversion rate amounted to 112 (95) percent.



- In the period from 2015 to 2019, Catena Media increased its revenue by EUR 87.9m, equaling a CAGR (compound annual growth rate) of 62 percent.



- In the period from 2015 to 2019, Catena Media increased its adjusted EBITDA by EUR 33.2m, equaling a CAGR (compound annual growth rate) of 43 percent.

EXISTING FUNDING

In March 2018, Catena Media issued senior unsecured bonds of EUR 150m that mature on 2 March 2021. The terms and conditions were amended on 29 June 2020 and the maturity was extended until 2 March 2022. Pursuant to the amended terms and conditions, the bonds shall be secured by a pledge of all outstanding shares in Catena Operations Ltd and Catena Financials Ltd from 31 January 2021. The bond carries a floating rate of Euribor 3m +5.50 percent, with Euribor 3m being subject to a floor of 0 percent. Furthermore, a multicurrency revolving credit facility (RCF) was entered into with Swedbank AB (publ) in September 2018, which (as amended) provides available credit of EUR 12.5m, of which the full amount has been utilized. The Company has agreed to reduce the facility to EUR 7.5m by 30 September 2020 and to zero (0) by 31 December 2020. The RCF carries a floating rate of Euribor 3m +2.50 percent, with Euribor 3m being subject to a floor of 0 percent. In June 2020, Catena Media issued hybrid capital securities to a nominal amount of EUR 65.7m, where the Company may redeem all (but not some) of the hybrid capital securities in full on 10 July 2025, or on any interest payment date thereafter, at a price per hybrid capital security of 100 percent of the nominal amount. The hybrid capital securities carry a floating rate of Stibor 3m + 8.00 percent per annum.

RIGHTS ISSUE

On 17 April 2020, the Company announced that the Board of Directors of Catena Media plc proposed that an Extraordinary General Meeting be held to decide on a fully guaranteed rights issue of Units consisting of hybrid capital securities, accredited 100 percent equity treatment according to International Financial Reporting Standards (IFRS), and warrants with preferential right for the Company's existing shareholders (the “Rights Issue”). On 10 June 2020, the EGM resolved to carry out the Rights Issue. The subscription price in the Rights Issue was set to SEK 100 per Unit.

On 29 June 2020, the Company announced that the Rights Issue had been oversubscribed, that a condition under the written procedure for the amendment of the terms and conditions of the existing bonds had thus been fulfilled, and that the EUR 49.5m mandatory partial prepayment of the outstanding bonds would be carried out on 16 July 2020. The final outcome of the Rights Issue was a total subscription of approximately 117 percent, of which 86.7 percent or approximately SEK 593m was subscribed for with unit subscription rights, 28.6 percent or approximately SEK 196m was subscribed for without unit subscription rights, and 1.7 percent or approximately SEK 11.5m was allotted to members of the Company’s board of directors in excess of units subscribed with exercise of unit subscription rights.

At the end of the second quarter 2020, hybrid capital securities having a nominal value of EUR 65.7m net of EUR 8.3m issuance costs have been reported as hybrid capital securities in the Company’s balance sheet. Cash and cash equivalents increased by EUR 57.0m and other receivables increased by EUR 8.8m in relation to the Rights Issue. Further information about the Rights Issue is available at the Company’s website, www.catenamedia.com/investors/.

AMENDMENT OF THE TERMS AND CONDITIONS OF OUTSTANDING BONDS

Following the successful completion of the Rights Issue, the condition for the amendment of the terms and conditions of the outstanding bonds, as described in the notice of written procedure concluded on 7 May 2020 (the “Written Procedure”), was fulfilled. Accordingly, the amended terms and conditions for the outstanding bonds became effective as of 29 June 2020. Pursuant to the amended terms and conditions, the Company made a EUR 49.5m mandatory partial prepayment on 16 July 2020. The mandatory partial prepayment was made in relation to all outstanding bonds by way of reducing the nominal amount of each bond pro rata with an amount of EUR 33,000 per bond, in aggregate EUR 49.5m. The mandatory partial prepayment per bond was made without premium but together with accrued but unpaid interest on the prepaid amount of EUR 0.3m.

In addition to the mandatory partial prepayment, the amendment of the terms and conditions of the outstanding bonds entail that the Company is entitled to make additional voluntary partial prepayments of the bonds of up to EUR 4,000 per bond, in aggregate up to EUR 6m, on each interest payment date.

The amendment of the terms and conditions also entail, inter alia, that the shares in Catena Media’s main operating subsidiaries, Catena Operations Ltd and Catena Financials Ltd, shall be pledged as of 31 January 2020, and that the call option price for the redemption of the outstanding bonds will increase from 101.376 percent to 102.75 percent of the nominal amount on 2 March 2021 and to 105 percent on 2 September 2021.

The amended and restated terms and conditions of the outstanding bonds are available at the Company’s website, www.catenamedia.com/investors/.

USE OF PROCEEDS

The total proceeds of the rights issue amounted to EUR 65.7m, EUR 57.0 of which registered as cash and EUR 8.7 registered as receivables as of 30 June 2020. Out of the total issuance related cost of EUR 8.3m, only EUR 2.4m have a cash impact. Less the exceptional cost of EUR 1.7m as registered during the quarter in relation to the refinancing, the total net proceeds of EUR 61.6m have been used to partially repay the outstanding bonds in the amount of EUR 49.5m on 16 July 2020, and the remaining will be further used for general corporate purposes. By taking this joint measure, the Company believes that the transaction will align the long-term interest of all stakeholders, and especially the shareholders, thus enabling the Company to continue developing and growing its existing business and to reach its long-term financial targets.

INTEREST-BEARING DEBT AND LEVERAGE

As of 30 June 2020, Catena Media had outstanding senior unsecured bonds of EUR 150m, as well as EUR 12.5m in utilised revolving credit facility. The ratio of net interest-bearing liabilities to adjusted EBITDA was 1.68 as of 30 June 2020 and in compliance with the maintenance covenants. As previously announced, the long-term financial target for such leverage as set by the Board of Catena Media is to remain below 1.75x. The measures described are key steps in the alignment of the Company’s capital structure and strategic development and will significantly improve the Company’s position with regards to future, long-term debt financing.

Our Segments

The second quarter of 2020 will be remembered as one of the most exceptional in our industry. It started under the shadow of a global pandemic, which in turn made sports events almost totally non-existent. It had a major Google update that affected anyone dependent on Google rankings in one way or another, and it ended with Sports slowly starting to recover before moving into the generally lower summer season. Our Casino segment grew by 29 percent compared to the first quarter and 59 percent compared to last year. The Sports segment declined by 43 percent compared to the first quarter due to the Covid-19 impact and 44 percent compared to last year. The Financial Services segment grew by 7 percent compared to the first quarter and 7 percent compared to last year.

Casino

In the second quarter, the Casino segment represented 76 percent (EUR 21.2m) of total revenue and generated an adjusted EBITDA of EUR 13.9m, representing a margin of 65 percent.

ANOTHER ALL-TIME HIGH FOR ASKGAMBLERS

AskGamblers, one of Catena Media's core brands, started the quarter with yet another all-time revenue high in April, followed by a similarly strong May, despite a major Google update to its search and ranking algorithms at the beginning of the month. The quarter ended as expected, with an impact from lower interest due to easing of Covid-19 restrictions all over Europe and the start of the generally lower summer season. On the product side, the team launched an Open Casino section, introduced video reviews on the German site and finalised plans for the third quarter launch in Sweden.

EUROPE FACING CHALLENGES

The second quarter started exceptionally strongly in April, with an all-time high in revenue for the past twelve months, attributed to the ongoing work with performance of our key brands. It was also boosted by increased activity driven by Covid-19 restrictions around the world. May brought the major Google update, which had a short-term impact on traffic, conversions and NDCs for several brands, for instance in Germany. Our Italian brands, on the other hand, showed stable performance due to their strong market position. With Sports returning in June, easing of Covid-19 restrictions and the start of a lower summer season, the quarter ended as expected on a lower level. In total, however, segment performance for the quarter remained in line with our plans and we continued our SEO efforts to further strengthen our brand positioning.

JAPAN STRONG WITH HIGH POTENTIAL

The Asian business again outperformed our own expectations with an exceptionally strong second quarter, without any of the major impacts we saw in other parts of the segment. With our incumbent Casino Online, as well as Slotsia and AskGamblers brands, we see continued high potential in the market and began preparations for further investments. We have had a significant impact in the market and the pandemic effect is obvious. Casino online in Japan is becoming really strong.

BEST-EVER QUARTER FOR THE US

The second quarter continued on last quarter's strong casino performance in the key states of Pennsylvania and New Jersey, out-performing our expectations with triple-digit growth, which more than offset the decrease in Sports, partly due to much higher player values in Casino than in Sports. Noteworthy also was a strong performance from social casino, which further mitigated the lack of Sports betting offers, supported by our work with influencers and other media channels.

Sports

In the second quarter, the Sports segment represented 18 percent (EUR 5.0m) of total revenue and generated an adjusted EBITDA of EUR 0.7m, representing a margin of 14 percent.

EUROPE SEEING A LATE RECOVERY

The second quarter started uphill as expected due to Covid-19 restrictions and almost all sports being shut down globally. It is fair to say that this quarter was the most difficult one in recent Sports history. As a consequence, Sports pivoted to other products such as Casino, Poker, and Lotteries, where available, with the Italian market performing best. In June, Sports finally returned, in particular with the German Bundesliga and the English Premier League as key betting leagues, while others, such as South American football leagues, have not yet returned. The end of the quarter saw a rise in almost all markets and positive signs of recovery were observed, despite the start of this slower season.

POTENTIAL OUTSIDE OF EUROPE

Our BettingPro brand, www.bettingpro.com, launched in Latin America with encouraging early results in traffic. In general, we see an increased interest in American markets outside the US and our performance marketing efforts (PPC) developed well under the circumstances. A very positive outlier this quarter was our Australian business, which focuses on horse racing, by far the most popular betting category in Australia. While still small in revenue, the business grew considerably due to a number of product changes driving organic traffic, which bodes well for the future.

US LAUNCH IN COLORADO

The quarter started under duress with no sports available at all, due to Covid-19 restrictions. The launch of online betting in Colorado in May thusexceeded our expectations in terms of NDCs. Even given the trying circumstances, our well-prepared launch there drove in as much revenue in May as all other states combined. Horse racing, even with some major events delayed, was one of the sports that had most activity this quarter across the US. And by the end of the quarter, other sports, such as UFC and NASCAR started to make a comeback and betting activity even rose above normal levels. In June, we partnered with Data Skrive to start incorporating AI content automation into our sports news portfolio.

Financial Services

In the second quarter, the Financial Services segment represented 6 percent (EUR 1.6m) of total revenue and generated an adjusted EBITDA of EUR 0.2m, representing a margin of 14 percent.

OVERALL INCREASE IN TRAFFIC DRIVEN BY ASKTRADERS

The second quarter saw a return to pre-pandemic search volumes for trading-related terms. The major Google update in the beginning of May showed a short-term effect on some of our sites, but most of them recovered. The "Opti sites", targeting English-speaking traders, continued to perform well and were largely unaffected by the update.

ASKTRADERS EXCEEDING TARGETS AND GROWING FAST

The development of our leading brand AskTraders, www.asktraders.com, continued to go well with a second quarter with a record-high three-digit percent increase in traffic, resulting in revenue and traffic well ahead of targets. The key volume driver was the successful deployment of the Analysis section on the site, which in particular benefited from Google News-related traffic.

STABLE HAMMERSTONE

Our US-based Hammerstone subscription business remained stable and despite pandemic-related challenges to further growing the customer base, the business still won new clients. At a slower pace, we continued to migrate professional traders onto the Hammerstone proprietary application and have further launched and started to grow the Hammerstone product with a non-professional day trader subscription service.

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 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.

On 31 July 2019, the Company announced that it had resolved on a directed issue of 1,440,454 shares as final earn-out payments for US assets acquired in December 2016.

On 29 November 2019, the Company announced that it had resolved on a directed issue of 183,672 shares as final earn-out payments for the final part of the purchase price for the acquisition of ASAP Italia S.r.l.

On 28 February 2020, the Company announced that it had resolved on a directed issue of 2,955,470 shares as part of the payment of the final purchase price for the US assets acquired in December 2016.

SHARE CAPITAL

As of 30 June 2020, share capital amounted to EUR 92,353 divided among 61,568,740 ordinary shares. As of 30 June 2020, the closing price for the Catena Media share was SEK 20.84. 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 2020 was approximately 13,000.

EQUITY

As of June 30 2020, equity including hybrid capital securities amounted to EUR 224.2m (156.5), corresponding to an Equity-to-Assets ratio of 55 percent (42). Excluding hybrid capital securities, equity amounted to EUR 166.7m (156.5). The company has issued hybrid capital securities to a total nominal amount of EUR 65.7m, excluding issuance related costs. The hybrid capital securities have been issued as perpetual subordinated debentures each for the nominal amount of SEK 100, accrediting them 100 percent equity treatment according to Internatinal Financial Reporting Standards (IFRS). The company may redeem the hybrid capital securities in full on the first call date, which falls five (5) years after the Issue Date (10 July 2020). Interest on the hybrid capital securities is paid at a floating rate of STIBOR (three (3) months) plus eight (8) per cent per annum (to be paid quarterly in arrears). If the hybrid capital securities are not redeemed on the first call date, interest will be increased to STIBOR (three (3) months) plus eleven (11) per cent per annum during the first year, and then increased by one (1) percentage point per annum each year the hybrid capital securities are still outstanding. The company may, at any time and at its sole discretion, elect to defer any interest payment, in whole or in part, which is otherwise scheduled to be paid on an interest payment date (except on any interest payment date on which the hybrid capital securities are to be redeemed) by giving notice of such election in accordance with Terms and Conditions of the hybrid capital securities.

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 of 30 June 2020.

Ten largest shareholders as of 30 June 2020	%
Investment AB Öresund	8.4%
Ruane, Cunniff & Goldfarb	8.1 %
Second Swedish National Pension Fund	5.9%
Avanza Pension	5.5%
Baybets Ltd.	3.5%
Third Swedish National Pension Fund	3.0%
OceanView Marketing	3.0%
Alcur Fonder	2.9%
Nordnet Pensionsförsäkring	2.7 %
Roundhill Investments	1.7 %
Subtotal, 10 largest shareholders	**44.8%**
Other shareholders	**55.2%**
Total	**100%**

**The Rights Issue is not reflected in the above shareholder structure. For additional information and updates, we refer to press releases on page 11 under the heading "Events after the end of the period", and to our website: https://www.catenamedia.com/investors/rights-issue-2020/*

DIVIDEND

According to the current 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 period ended 30 June 2020.

FINANCIAL TARGETS

Catena Media has two main financial targets. The first one is to reach profitable double-digit organic growth on a yearly basis. The second relates to leverage, where the goal is to operate below a net interest-bearing debt/adjusted EBITDA ratio of 1.75x.

EMPLOYEES

As of 30 June 2020, the Group had a total of three hundred ninety two (392) employees, of whom one hundred and forty-four (144) were women and two hundred and forty-eight (248) were men. Expressed as percentages, women represented 37 percent of the total number of employees, while men represented 63 percent . Out of our 392 employees, 390 are employed full-time and 2 employed on a part-time basis.

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 companies, Catena Operations Limited and Catena Financial Limited.

During the second quarters of 2020 and 2019, there was no dividend received from the subsidiaries. Credit facility and refinancing related costs for the second quarter of 2020 amounted to EUR 0.1m (0.02), and EUR 0.1m (0.02) for the first half of 2020. Bond and credit facility finance costs, classified as "Interest payable on borrowings", amounted to EUR 2.2m (2.1) during the second quarter and EUR 4.5m (4.3) for the period ending 30 June 2020. The credit facility and refinancing related costs and the interest payable on borrowings have been recharged to Catena Operations Limited. The bond's fair value movement classified in "Other (losses)/gains on financial liability at fair value through profit or loss", recognised in the second quarter of 2020, resulted in a loss of EUR 14.4m and a gain of EUR 3.0m in the same quarter of the previous year. The fair value loss during both the second quarter of 2020 and the first half of 2020 also included a hedging premium fee incurred in relation to a fair value hedge, which amounted to EUR 0.5m (nil). The fair value movement for the period ended 30 June 2020 resulted in a loss of EUR 10.2m, while a gain of EUR 1.5m resulted during the same period of 2019.

During the second quarter of 2020, personnel expenses amounted to EUR 0.3m (0.2), while other operating expenses amounted to EUR 0.03m (0.1). Personnel expenses and other operating expenses for the period ended 30 June 2020 amounted to EUR 0.8m (0.3) and EUR 0.1m (0.1) respectively. Loss for the second quarter of 2020 amounted to EUR 15.2m, while a profit of EUR 2.8m resulted during the corresponding quarter of the previous year. Loss for the six months ended 30 June 2020 amounted to EUR 11.5m, while an amount of EUR 1.1m was recognised as a profit for the same period in the previous year. The losses for both the second quarter and the first half of 2020 were a result of the unrealised fair value loss on the financial liability.

The Parent Company's cash and cash equivalents amounted to EUR 57.3m (0.9), while borrowings, comprising the bond at fair value through profit and loss and the bank credit facility, amounted to EUR 161.2m (145.5) during the period ended 30 June 2020. Equity amounted to EUR 155.3m (78.5) 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 within longstanding or emerging markets – 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 2019 Annual Report. **https://www.catenamedia.com/app/uploads/2020/03/Catena-Media_AR_2019_Final_07_LR.pdf**

COVID-19 IMPACT ON THE IGAMING INDUSTRY

Following the outbreak of Covid-19 at the beginning of 2020, almost all major sports events were put on hold by the end of the first quarter and a significant volume of betting activity had been paused. As a consequence, iGaming operators with an offering primarily focused on sports betting faced severe losses in betting volumes. To mitigate such losses, operators started to focus on sports that had not been fully cancelled, such as horse racing, or on other alternatives such as e-sports and virtual sports. However, such alternatives were been enough to compensate for the drop in betting volumes, and revenue streams from the operators' complementary online casino offering grew in importance. In addition, online casinos experienced an increase in popularity as an alternative to retail and land-based offerings, such as in the US, where all 900+ land-based casinos had closed due to Covid-19 restrictions – a unique event in the history of the country. As a result, affiliate marketing has played an important role and companies such as Catena Media, with the ability to generate volumes of high-quality casino leads, have therefore experienced an increased demand during that time. By the middle of the second quarter, several sports had returned, with the German Bundesliga and the English Premier League as just two examples of major betting football leagues. The volumes for online casinos towards the end of the second quarter also normalised again – as a result of Covid-19 restrictions easing round Europe, sports returning, and the start of the generally lower summer season.

TRADING UPDATE APRIL ON THE BASIS OF COVID-19

On 29 April Catena Media published a trading update on the basis of COVID-19, subsequent changes in market conditions and the ongoing refinancing process. The publication provided an update on the financial and operational performance (January-March 2020), the ongoing rights issue process and the amendment of the senior unsecured bonds. For the full update: **https://www.catenamedia.com/release/strong-profit-in-q1-2020-covid-19-impact-and-ongoing-refinancing/**

TRADING UPDATE JULY - RECORDS IN REVENUES AND PROFITS

On 20 July Catena Media published a trading update on the estimated outcome of the second quarter 2020. The trading update was provided on the basis of continued, changing market conditions following the global outbreak of Covid-19 earlier this year, which in particular affected the Sports segment in the second quarter. For the full update: **https://www.catenamedia.com/release/record-in-revenues-and-profits-trading-update-for-the-second-quarter-2020/**

SQUAWKA RECEIVES TWO FINALIST NOMINATIONS AT FOOTBALL CONTENT AWARDS 2020

Catena Media's premium football publishing website, Squawka, was named as a finalist in two categories at the Football Content Awards 2020. The brand, which boasts a vast reach on all major social media platforms – including over one million followers on Twitter – will compete for the 'best media organisation' accolade alongside household names including BBC, BT Sport, Sky Sports and The Athletic.

The Squawka team's shareable and engaging social content, primarily delivered via statistical visualisations and graphics, also earned a nomination for the 'best in social (organisation)' category after over 100,000 votes were cast in the nomination process. After being acquired by Catena Media in December 2017, Squawka significantly grew its presence in the highly competitive football market and won the Premium Publisher award at the Football Blogging Awards in 2019.

REGULATORY CHANGES IN SWEDEN

On 23 April 2020 the Swedish government announced proposed regulatory changes, as a result of the increased gambling accompanying COVID-19 restrictions. The new bill entails a maximum deposit level of SEK 5,000 per week and per operator, and a maximum bonus of SEK 100. In addition, the proposal restricts time spent gambling and strengthens enforcement against illegal operators. These limitations may have a short-term impact and the proposal will primarily affect operators. At the same time, the steps now being taken presumably favour affiliates, due to increased demand for NDCs, as operators will need more customers to compensate for the shortfall in their existing databases.

ANNUAL GENERAL MEETING

This year's Annual General Meeting was held on Friday 15 May 2020, at Tändstickpalatset/Kapitel 8, Västra Trädgårdsgatan 15, Stockholm, Sweden. Adam Krejcik and Marcus Lindqvist were elected as new board members and Göran Blomberg was elected as new Chairman of the Board of Directors, succeeding Kathryn Moore Baker.

EXTRAORDINARY ANNUAL GENERAL MEETING

An Extraordinary General Meeting was held on Wednesday 10 June 2020, at Tändstickspalatset/Kapitel 8, Västra Trädgårdsgatan 15, Stockholm, Sweden. The reason for the meeting was issuance of a maximum of 6,840,971 units (each consisting of one (1) perpetual hybrid and six (6) warrants) with preferential rights for existing shareholders (the "Rights Issue"); issuance of Warrants to certain guarantors of the Rights Issue (the "Guarantee Issue"); and to waive the shareholders' pre-emption rights with respect to the Guarantee Issue; authorisation of certain directors to enter into commitments in relation to the Rights Issue; as well as the Board of Directors' proposal to amend the Company's articles of association in light of Directive (EU) 2017/828 (Shareholder Rights Directive II).

SECOND EXTRAORDINARY ANNUAL GENERAL MEETING

A second Extraordinary General Meeting was held on Wednesday 24 June 2020, at Tändstickspalatset/Kapitel 8, Västra Trädgårdsgatan 15, Stockholm, Sweden. The reason for the meeting was to approve the Amendment Resolutions where 51 percent requirement of the Maltese regulations will not apply, and the Amendment Resolutions can be approved by a majority of 75 percent of the shares represented at the meeting.

EXECUTIVE MANAGEMENT FOR FURTHER FOCUS

The Executive Management of Catena Media as of April 2020 consists of: CEO Per Hellberg, Group CFO Peter Messner, Vice President North America Michael Daly, Chief Human Resources Officer Fiona Ewins-Brown, VP Financial Services Nigel Frith, VP Sports Chris Welch, VP Casino Hamish Brown and VP AskGamblers Nikola Teofilovic. These roles in executive management provide increased control, business optimisation and greater focus on each business area.

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- Outcome of Catena Media's fully guaranteed rights issue of units oversubscribed, fulfilment of condition under written procedure and record date for amortisation.
- Bulletin from Second Extraordinary General Meeting of Catena Media plc.
- Catena Media publishes a supplement to prospectus.
- Catena Media publishes prospectus relating to the rights issue.
- Bulletin from Extraordinary General Meeting of Catena Media plc.
- 8 June 2020, the last day of trading in Catena Media's share together with the right to receive Unit Subscription Rights in the Rights Issue.
- Interim report January – March 2020. Strong performance despite Covid-19.
- Notice of Extraordinary General Meeting of Catena Media plc.
- Catena Media intends to call extraordinary general meeting for approval of an amendment to the articles of association not passed at today's annual general meeting, due to quorum requirements in Malta.
- Bulletin from the 2020 Annual General Meeting of Catena Media.
- Consent received from the bondholders in the Written Procedure to amend the terms and conditions for Catena Media's senior unsecured bonds 2018/2021.
- Strong profit in Q1 2020, Covid-19 impact, and ongoing refinancing - Trading update for the first quarter 2020.
- Catena Media plc initiates a Written Procedure of its senior outstanding bond loan 2018/2021.
- Notice of Extraordinary General Meeting of Catena Media plc.
- Catena Media decides upon fully guaranteed rights issue of units of SEK 684 million and initiates procedure to amend the terms of its senior unsecured bond loan.
- Notice of Annual General Meeting 2020 of Catena Media plc.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- July 21 - Catena Media announces the outcome of the exercise of warrants during the first subscription period.
- July 20 - Record in revenues and profits – Trading update for the second quarter 2020.
- July 10 - First day of trading in Catena Media's warrants and hybrid capital securities, and first day to exercise warrants for subscription of shares.

PRESENTATION TO INVESTORS AND MEDIA

A combined audiocast with telephone conference, with the opportunity to ask questions, will be held on 19 August 2020 at 9:00 am CET, at which CEO Per Hellberg and Group CFO Peter Messner will present the Q2 report. The presentation will be given in English and will be simultaneously audiocast at:
https://tv.streamfabriken.com/catena-media-q2-2020

To participate via telephone, please dial:

SE	+46 8 505 583 58
UK:	+44 333 300 92 70
US:	+1 833 249 84 06

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 quarterly 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.

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

Malta, 19 August 2020

THE BOARD OF DIRECTORS

Göran Blomberg
Chairman

Theodore Bergqvist

Öystein Engebretsen

Marcus Lindqvist

Per Widerström

Adam Krejcik

Upcoming events 2020

19 November 2020
Interim report Q3
January–September 2020

An audiocast with telephone conference will be held. The presentation starts at 9 am (CEST).

24 February 2021
Year-end report 2020
January–December 2020

An audiocast with telephone conference will be held. The presentation starts at 9 am (CEST).

29 March 2021
Annual Report 2020

The Annual Report will be available in a PDF format at **https://www.catena-media.com/investors/reports/annual-reports/**

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 2020 at 07.00 CET.

Condensed consolidated interim statement of comprehensive income

Amounts in ‘000 (EUR)	Notes	**April–June 2020**	April–June 2019	**Jan–June 2020**	Jan–June 2019	Jan–Dec 2019
Revenue	2	**27,781**	23,729	**54,479**	49,841	102,817
Total revenue		**27,781**	23,729	**54,479**	49,841	102,817
Direct costs	4	**(2,197)**	(3,248)	**(4,583)**	(6,631)	(13,610)
Personnel expenses		**(6,247)**	(5,597)	**(12,414)**	(11,224)	(22,780)
Depreciation and amortisation		**(3,043)**	(3,344)	**(6,469)**	(6,724)	(14,083)
Exceptional costs:						
Credit facility and refinancing related costs	5	**(1,691)**	(47)	**(1,744)**	(47)	(62)
Reorganisation costs	5	**(55)**	(57)	**(454)**	(57)	(253)
Loss allowances on trade receivables	5	**-**	-	**-**		(2,650)
Impairment on intangible assets	5	**-**	-	**-**	-	(32,103)
Other operating expenses		**(4,572)**	(5,382)	**(9,783)**	(11,297)	(22,956)
Total operating expenses		**(17,805)**	(17,675)	**(35,447)**	(35,980)	(108,497)
Operating profit/(loss)		**9,976**	6,054	**19,032**	13,861	(5,680)
Interest payable on borrowings		**(2,199)**	(2,167)	**(4,414)**	(4,293)	(8,718)
Other (losses)/gains on financial liability at fair value through profit or loss		**(14,883)**	3,000	**(10,683)**	1,500	5,550
Other finance costs		**(245)**	-	**(1,740)**	(2,019)	(1,510)
Other finance income		**-**	175	**-**	-	-
(Loss)/profit before tax		**(7,351)**	7,062	**2,195**	9,049	(10,358)
Tax expense		**(411)**	(223)	**(679)**	(337)	(178)
(Loss)/profit for the period/year attributable to the equity holders of the Parent Company		**(7,762)**	6,839	**1,516**	8,712	(10,536)
Other comprehensive income						
Currency translation differences		**(46)**	(136)	**(99)**	(44)	(37)
Total other comprehensive (loss)/income for the period/year		**(46)**	(136)	**(99)**	(44)	(37)
Total comprehensive income/(loss) attributable to the equity holders of the Parent Company		**(7,808)**	6,703	**1,417**	8,668	(10,573)
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/(loss) for the period/year		**(0.13)**	0.12	**0.02**	0.15	(0.18)
Diluted earnings per share						
From profit/(loss) for the period/year		**(0.07)**	0.11	**0.01**	0.14	(0.17)

The notes on pages 17 to 24 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet

Amounts in '000 (EUR)	Notes	30 June 2020	30 June 2019	31 Dec 2019
ASSETS				
Non-current assets				
Goodwill		**7,333**	11,966	7,333
Right-of-use asset	9	**6,146**	8,238	7,433
Other intangible assets	6	**279,188**	314,935	281,584
Property, plant and equipment		**2,929**	3,839	3,324
Total non-current assets		**295,596**	338,978	299,674
Current assets				
Trade and other receivables		**28,119**	21,378	20,553
Cash and cash equivalents		**82,631**	15,094	12,286
Total current assets		**110,750**	36,472	32,839
Total assets		**406,346**	375,450	332,513
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		**92**	85	88
Share premium		**88,874**	67,477	76,666
Hybrid capital securities	10	**57,409**	-	-
Other reserves		**12,869**	6,277	6,848
Retained earnings		**64,910**	82,642	63,394
Total equity		**224,154**	156,481	146,996
Liabilities				
Non-current liabilities				
Borrowings	7	**99,621**	145,500	150,950
Deferred tax liabilities		**4,115**	4,403	3,589
Lease liability	9	**3,874**	5,717	4,688
Total non-current liabilities		**107,610**	155,620	159,227
Current liabilities				
Borrowings	7	**61,567**	–	–
Amounts committed on acquisition	8	**-**	53,475	18,068
Trade and other payables		**12,610**	9,279	7,683
Current tax liabilities		**405**	595	539
Total current liabilities		**74,582**	63,349	26,290
Total liabilities		**182,192**	218,969	185,517
Total equity and liabilities		**406,346**	375,450	332,513

The notes on pages 17 to 24 are an integral part of these condensed consolidated interim financial statements.
These condensed consolidated interim financial statements on pages 13 to 24 were authorised for issue by the Board on **19 August 2020** and were signed on its behalf by:

Göran Blomberg
Chairman

Øystein Engebretsen
Director

Condensed consolidated interim statements of changes in equity

Amounts in '000 (EUR)	Share capital	Share premium	Hybrid capital securities	Other reserves	Retained earnings	Total equity
	Attributable to owners of the parent					
Balance at 1 January 2020	88	76,666	-	6,848	63,394	146,996
Comprehensive income						
Profit for the period	-	-	-	-	1,516	1,516
Foreign currency translation movement	-	-	-	(99)	-	(99)
Total comprehensive income for the period	-	-	-	(99)	1,516	1,417
Transactions with owners						
Issue of share capital	4	12,208	-	-	-	12,212
Issue of hybrid capital securities, net of issuance costs	-	-	57,409	-	-	57,409
Equity–settled share-based payments	-	-	-	6,120	-	6,120
Total transactions with owners	4	12,208	57,409	6,120	-	75,741
Balance at 30 June 2020	**92**	**88,874**	**57,409**	**12,869**	**64,910**	**224,154**

Amounts in '000 (EUR)	Share capital	Share premium	Hybrid capital securities	Other reserves	Retained earnings	Total equity
	Attributable to owners of the parent					
Balance at 1 January 2019	84	61,770	-	6,063	73,930	141,847
Comprehensive income						
Profit for the period	–	–	-	–	8,712	8,712
Foreign currency translation movement	–	–	-	(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)	Share capital	Share premium	Hybrid capital securities	Other reserves	Retained earnings	Total equity
	Attributable to owners of the Parent Company					
Balance at 1 January 2019	84	61,770	-	6,063	73,930	141,847
Comprehensive income						
Loss for the period	-	-	-	-	(10,536)	(10,536)
Foreign currency translation movement	-	-	-	(37)	-	(37)
Total comprehensive income for the period	-	-	-	(37)	(10,536)	(10,573)
Transactions with owners						
Issue of share capital	4	14,896	-	-	-	14,900
Equity–settled share-based payments	-	-	-	822	-	822
Total transactions with owners	4	14,896	-	822	-	15,722
Balance at 31 December 2019	88	76,666	-	6,848	63,394	146,996

The notes on pages 17 to 24 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of cash flows

Amounts in '000 (EUR)	**April–June 2020**	April–June 2019	**Jan–June 2020**	Jan–June 2019	Jan–Dec 2019
Cash flows from operating activities					
(Loss)/profit before tax	**(7,351)**	7,062	**2,195**	9,049	(10,358)
Adjustments for:					
Depreciation and amortisation	**3,043**	3,344	**6,469**	6,724	14,083
Loss on disposal of assets	**46**	1	**47**	92	95
Loss allowance on trade receivables	**250**	-	**344**	50	2,831
Bad debts	**110**	-	**450**	-	185
Impairment on intangible assets	**-**	-	**-**	-	32,103
Unrealised exchange differences	**721**	(445)	**1,863**	343	909
Interest expense	**2,101**	2,246	**4,597**	5,618	9,791
Net gains/(losses) on financial liability at fair value through profit or loss	**14,438**	(3,000)	**10,238**	(1,500)	(5,550)
Share-based payments	**(122)**	165	**208**	314	878
	13,236	9,373	**26,411**	20,690	44,967
Taxation paid	**(216)**	(81)	**(239)**	(644)	(1,370)
Interest paid	**-**	(113)	**-**	(224)	-
Changes in:					
Trade and other receivables	**2,420**	1,561	**300**	(300)	(2,711)
Trade and other payables	**1,956**	(323)	**2,142**	(15)	(2,889)
Net cash generated from operating activities	**17,396**	10,417	**28,614**	19,507	37,997
Cash flows from investing activities					
Acquisition of property, plant and equipment	**(37)**	(190)	**(140)**	(384)	(503)
Acquisition of intangible assets	**(7,854)**	(1,961)	**(9,083)**	(15,048)	(39,285)
Net cash used in investing activities	**(7,891)**	(2,151)	**(9,223)**	(15,432)	(39,788)
Cash flows from financing activities					
Proceeds from hybrid capital securities	**56,966**	-	**56,966**		
Net proceeds on borrowings	**-**	-	**-**	3,000	12,500
Proceeds on exercise of share options and warrants	**-**	217	**-**	257	257
Interest paid	**(2,235)**	(2,085)	**(4,440)**	(4,237)	(8,594)
Lease payments	**(807)**	(766)	**(1,658)**	(1,378)	(3,042)
Net cash generated from/(used in) financing activities	**53,924**	(2,634)	**50,868**	(2,358)	1,121
Net movement in cash and cash equivalents	**63,429**	5,632	**70,259**	1,717	(670)
Cash and cash equivalents at beginning of period/year	**19,261**	9,267	**12,286**	13,161	13,161
Currency translation differences	**(59)**	195	**86**	216	(205)
Cash and cash equivalents at end of period/year	**82,631**	15,094	**82,631**	15,094	12,286

The notes on pages 17 to 24 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. ACCOUNTING PRINCIPLES
This second quarter interim report is prepared in 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 2019, except for hybrid capital securities as a result of the fully guaranteed Rights Issue during 2020.

Hybrid capital securities
Hybrid capital securities comprise: a fully guaranteed rights issue of units that qualify for equity treatment according to International Financial Reporting Standards; and warrants with preferential rights for the Company's existing shareholders. The hybrid capital securities are perpetual and have no specified maturity date, and are not redeemable at the option of the holder at any time. The subscription price for the Rights Issue was set to SEK 100.0 per Unit. Each Unit consisted of one (1) hybrid capital security and six (6) warrants.

On initial recognition the notional amount is recognised in equity net of issuance related costs. Accordingly, any interest payments are recognised directly in equity at the time the payment obligation arises. Consequently, interest payments do not have any effect on profit (loss) for the year. On redemption of the hybrid capital, the payment will be distributed to equity, applying the same principles used when the hybrid capital was issued. This means that the difference between the payment on redemption and the net proceeds received on issue is recognised directly in equity.

During the subscription period, warrant holders are entitled to pay for the subscribed shares by setting off all of the notional amount, including any deferred interest due to the holder by the Company under the hybrid capital securities corresponding to the subscription price for the subscribed shares. In such cases the set-off would be allocated against equity.

Covid-19 and impact on financial and operational performance.
The majority of the Group's customers are operating in the online gambling industry (iGaming), which is affected by general economic and consumer trends outside the control of the Group or the operators. In early 2020, the outbreak of Covid-19 was confirmed, and then became a pandemic. Covid-19 has caused disruption to businesses and economic activity, which has also been reflected in fluctuations in stock markets. Catena Media has closely followed the global development of Covid-19 and its potential impact on the business. Several measures have been taken to mitigate any financial or operational impact and to ensure the well-being, safety and security of employees and partners. To date, Catena Media has experienced limited negative operational effects. No negative long-term effects on the business are expected. As a result of the easing of Covid-19 restrictions, certain sport activities have already resumed and other events are expected to be rescheduled. These are expected to contribute positively in the coming months and in the future once they are rescheduled.

Impact on Sports segment performance
By the end of the first quarter all major sports events had been put on hold and a number of events across the globe were postponed. As a consequence, iGaming operators with an offering primarily focused on sports betting have been facing severe losses in betting volumes. To mitigate such losses, operators had started to focus on sports that had not been fully cancelled, such as horse racing, e-sports and virtual sports. However, such alternatives have not been enough to compensate for the drop in betting volumes and revenue streams. Catena Media worked closely with key operators to promote those sports events that were still running. In addition, to mitigate the shortfall in Sports revenue, the focus has been to convert traffic from a number of sports-related sites to e-sports, virtual sports, and in particular Casino revenue, while holding back on low-margin media spending. In June, some sports finally returned, in particular the German Bundesliga and the English Premier League as the key betting leagues. This led to the Sports' business starting to recover at the end of the quarter.

Impact on performance of Casino and Financial Services segment
Both segments performed well during the first and second quarters. The first quarter started with key legacy casino brands seeing strong growth in organic traffic and in particular in the Italian and German markets. The Financial Services segment witnessed an increase in search queries globally around stock trading, beating our own forecast and expectations for traffic and revenue.

In addition, during the second quarter online casinos experienced an increase in popularity as an alternative to retail and land-based offerings, such as in the US, where all 900+ land-based casinos were closed due to Covid-19 restrictions. A unique happening in the history of the country. As a result, affiliate marketing has played an important role and companies such as Catena Media, with the ability to generate volumes of high-quality casino leads, have therefore experienced an increased demand during that time. Also for the Casino segment, both AskGamblers and the Japanese business had their own all-time highs for revenues.

Potential impact on outlook for all segments
By the middle of the second quarter, several sports had returned, leading to the recovery of the Sports' business. The volumes for online casinos towards the end of the second quarter also normalised again. This happened as a result of the easing of Covid-19 restrictions around Europe, sports having returned, and the start of the generally lower summer season.

Based on the information available at the time of this report, management believes that the Covid-19 outbreak will not have a negative long-term effect on the Group's business.

Critical accounting estimates

CGUs and impairment assessment
In 2019, following changes in internal management reporting, three operating segments were identified, resulting in three cash-generating units (CGUs) for the purpose of IAS 36. The recoverable amount of the CGUs was assessed, based on value-in-use calculations. Following a detailed impairment assessment that was performed at the end of the previous reporting period, management concluded that the recoverable amount for Casino CGU and Sports CGU exceeded the carrying amount, and that the recoverable amount for the Financial Services CGU was lower than the carrying amount, having resulted in a total impairment loss of EUR 9.0m, as reported previously. In 2019 management also performed a strategic review of its portfolio of assets, and concluded that four products were not expected to produce economic benefits beyond an estimated life of eight years, and on this basis the Group recognised an impairment on intangible assets of EUR 23.1m, as reported previously.

Management's impairment assessment of the recoverable amount of intangible assets was last performed as of 31 December 2019. Management are continuously reviewing the risk of future impairment, particularly for the Sports segment, which depends on growth and the potentially prolonged impact of Covid-19 on the business. No revisions were made to the impairment assessment model as at 30 June 2020.

Trade receivables and loss allowances on trade receivables
The loss allowance on trade receivables is a critical accounting estimate. Management continued to review the impact of the IFRS 9 expected loss model. Given that the Group had limited historical experience, the judgement remains subjective. Management increased the loss allowance on trade receivables by a further EUR 0.3m in the first half of 2020. Management will continue to monitor the adequacy of this loss allowance, also considering any further impact that Covid-19 may have on credit risk.

2. REVENUE

The revenue of the Group for the first quarter of 2020 is analysed as follows:

Amounts in '000 (EUR)	**April-June 2020**	April-June 2019	**Jan-June 2020**	Jan-June 2019	Jan-Dec 2019
Search revenue	**25,838**	20,174	**49,757**	41,825	88,283
Subscriptions revenue	**400**	719	**814**	1,672	2,582
Paid revenue	**1,543**	2,836	**3,908**	6,344	11,952
Total revenue	**27,781**	23,729	**54,479**	49,841	102,817

Search revenue comprised EUR 20.7m Casino revenue, EUR 3.9m Sports revenue and EUR 1.2m Financial Services revenue for the current quarter. For the first half of 2020 Search revenue comprised EUR 36.8m Casino revenue, EUR 10.7m Sports revenue and EUR 2.3m Financial Services revenue. Comparative data for the corresponding quarter and for the first half of the year is not available, as only two operating segments were previously reported, namely iGaming and Financial Services. Search revenue for the second quarter of 2019 comprised EUR 19.0m iGaming revenue and EUR 1.2m Financial Services revenue. Paid revenue comprised EUR 1.1m Sports revenue and EUR 0.4m Casino revenue. In the comparable periods, paid revenue was reported within iGaming in its entirety.

3. SEGMENT REPORTING

The Group's operations are reported on the basis of the three operating segments, Casino, Sports and Financial Services, following a change in organisational structure implemented during the third quarter of 2019. The segments were identified in accordance with the definition of an operating segment in IFRS 8, Operating Segments. Comparative information is presented in a different way, as the Group's resources were previously allocated on the basis of only two reporting segments, iGaming and Financial Services, in line with the previous structure. Hence, comparative figures are presented on the basis of the previous organisational structure and operating 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 each period presented in this report.

Amounts in '000 (EUR)	Casino	Sports	Financial Services	Unallocated	Total	iGaming	Financial Services	Unallocated	Total
	April–June 2020					**April–June 2019**			
Revenue*	21,190	5,037	1,554	–	**27,781**	22,250	1,479	–	23,729
Total revenue	21,190	5,037	1,554	–	**27,781**	22,250	1,479	–	23,729
Direct costs	(1,174)	(902)	(121)	–	**(2,197)**	(3,119)	(129)	–	(3,248)
Personnel expenses	(3,746)	(1,899)	(602)	–	**(6,247)**	(5,007)	(590)	–	(5,597)
Depreciation and amortisation	(2,136)	(682)	(225)	–	**(3,043)**	(3,279)	(65)	–	(3,344)
Exceptional costs:									
Credit facility and refinancing related costs	–	–	–	(1,691)	**(1,691)**	–	–	(47)	(47)
Reorganisation costs	–	–	–	(55)	**(55)**	–	–	(57)	(57)
Other operating expenses	(2,411)	(1,542)	(619)	–	**(4,572)**	(4,826)	(556)	–	(5,382)
Total operating expenses	(9,467)	(5,025)	(1,567)	(1,746)	**(17,805)**	(16,231)	(1,340)	(104)	(17,675)
Operating profit/(loss)	11,723	12	(13)	(1,746)	**9,976**	6,019	139	(104)	6,054
Interest payable on borrowings	–	–	–	(2,199)	**(2,199)**	–	–	(2,167)	(2,167)
Other (losses)/gains on financial liability at fair value through profit or loss	–	–	–	(14,883)	**(14,883)**	–	–	3,000	3,000
Other finance costs	–	–	–	(245)	**(245)**	–	–	–	–
Other finance income	–	–	–	–	**–**	–	–	175	175
Profit/(loss) before tax	11,723	12	(13)	(19,073)	**(7,351)**	6,019	139	904	7,062
Tax expense	–	–	–	(411)	**(411)**	–	–	(223)	(223)
Profit/(loss) for the period attributable to the equity holders of the Parent Company	11,723	12	(13)	(19,484)	**(7,762)**	6,019	139	681	6,839
Other comprehensive income									
Items that may be reclassified to profit for the period/year									
Currency translation differences	–	–	–	(46)	**(46)**	–	–	(136)	(136)
Total other comprehensive (loss)/income for the period	–	–	–	(46)	**(46)**	–	–	(136)	(136)
Total comprehensive (loss)/income attributable to the equity holders of the Parent Company	11,723	12	(13)	(19,530)	**(7,808)**	6,019	139	545	6,703
Adjusted EBITDA	13,859	694	212	–	**14,765**	9,298	204	–	9,502
Adjusted EBITDA margin	65%	14%	14%	–	**53%**	42%	14%	–	40%
NDCs ('000)	80	23	1	–	**104**	99	1	–	100

* Revenue reported under Financial Services includes Financial Services revenue of EUR 1.2m (1.2) and Subscriptions revenue amounting to EUR 0.4m (0.3).

Amounts in '000 (EUR)	Jan–June 2020 Casino	Sports	Financial Services	Unallocated	**Total**	Jan–June 2019 iGaming	Financial Services	Unallocated	Total
Revenue*	37,623	13,781	3,075	–	**54,479**	46,876	2,965	–	49,841
Total revenue	37,623	13,781	3,075	–	**54,479**	46,876	2,965	–	49,841
Direct costs	(2,266)	(2,098)	(219)	–	**(4,583)**	(6,248)	(383)	–	(6,631)
Personnel expenses	(6,932)	(4,348)	(1,134)	–	**(12,414)**	(10,089)	(1,135)	–	(11,224)
Depreciation and amortisation	(4,122)	(1,861)	(486)	–	**(6,469)**	(6,505)	(219)	–	(6,724)
Exceptional costs:									
Credit facility and refinancing related costs	–	–	–	(1,744)	**(1,744)**	–	–	(47)	(47)
Reorganisation costs	–	–	–	(454)	**(454)**	–	–	(57)	(57)
Other operating expenses	(4,730)	(3,901)	(1,152)	–	**(9,783)**	(9,974)	(1,323)	–	(11,297)
Total operating expenses	(18,050)	(12,208)	(2,991)	(2,198)	**(35,447)**	(32,816)	(3,060)	(104)	(35,980)
Operating profit/(loss)	19,573	1,573	84	(2,198)	**19,032**	14,060	(95)	(104)	13,861
Interest payable on borrowings	–	–	–	(4,414)	**(4,414)**	–	–	(4,293)	(4,293)
Other (losses)/gains on finan-cial liability at fair value through profit or loss	–	–	–	(10,683)	**(10,683)**	–	–	1,500	1,500
Other finance costs	–	–	–	(1,740)	**(1,740)**	–	–	(2,019)	(2,019)
Profit/(loss) before tax	19,573	1,573	84	(19,035)	**2,195**	14,060	(95)	(4,916)	9,049
Tax expense	–	–	–	(679)	**(679)**	–	–	(337)	(337)
Profit/(loss) for the period attributable to the equity holders of the Parent Company	19,573	1,573	84	(19,714)	**1,516**	14,060	(95)	(5,253)	8,712
Other comprehensive income									
Items that may be reclassified to profit for the period/year									
Currency translation differences	–	–	–	(99)	**(99)**	–	–	(44)	(44)
Total other comprehensive (loss)/income for the period	–	–	–	(99)	**(99)**	–	–	(44)	(44)
Total comprehensive income/(loss) attributable to the equity holders of the Parent Company	19,573	1,573	84	(19,813)	**1,417**	14,060	(95)	(5,297)	8,668
Adjusted EBITDA	23,695	3,434	570	–	**27,699**	20,565	124	–	20,689
Adjusted EBITDA margin	63%	25%	19%	–	**51%**	44%	4%	–	41%
NDCs ('000)	157	65	2	–	**224**	220	4	–	224

* Revenue reported under Financial Services includes Financial Services revenue of EUR 2.3m (2.4) and Subscriptions revenue amounting to EUR 0.8m (0.6).

	Jan–Dec 2019					
Amounts in '000 (EUR)	Casino	Sports	iGaming	Financial Services	Unallocated	Total
Revenue*	32,109	18,150	46,876	5,682	–	102,817
Total revenue	32,109	18,150	46,876	5,682	–	102,817
Direct costs	(3,261)	(3,521)	(6,248)	(580)	–	(13,610)
Personnel expenses	(5,825)	(4,730)	(10,089)	(2,136)	–	(22,780)
Depreciation and amortisation	(4,522)	(2,458)	(6,505)	(598)	–	(14,083)
Exceptional costs						
Bond and credit facility related costs	–	–	–	–	(62)	(62)
Reorganisation costs	–	–	–	–	(253)	(253)
Loss allowance on trade receivables	–	–	–	–	(2,650)	(2,650)
Impairment on intangible assets	(13,230)	(934)	–	(17,939)	–	(32,103)
Other operating expenses	(5,362)	(4,918)	(9,974)	(2,702)	–	(22,956)
Total operating expenses	(32,200)	(16,561)	(32,816)	(23,955)	(2,965)	(108,497)
Operating loss	(91)	1,589	14,060	(18,273)	(2,965)	(5,680)
Interest payable on borrowings	–	–	–	–	(8,718)	(8,718)
Other gains on bond liability at fair value through profit or loss	–	–	–	–	5,550	5,550
Other finance costs	–	–	–	–	(1,510)	(1,510)
(Loss)/profit before tax	(91)	1,589	14,060	(18,273)	(7,643)	(10,358)
Tax expense	–	–	–	–	(178)	(178)
(Loss)/profit for the year attributable to the equity holders of the parent company	(91)	1,589	14,060	(18,273)	(7,821)	(10,536)
Other comprehensive income						
Items that may be reclassified to profit for the period						
Currency translation differences	–	–	–	–	(37)	(37)
Total other comprehensive loss for the year	–	–	–	–	(37)	(37)
Total comprehensive (loss)/income for the year attributable to the parent company	(91)	1,589	14,060	(18,273)	(7,858)	(10,573)
Adjusted EBITDA	17,661	4,981	20,565	264	–	43,471
Adjusted EBITDA margin	55%	27%	44%	5%	–	42%
NDCs ('000)	127	84	220	6	–	437

* Revenue reported under Financial Services includes Financial Services revenue of EUR 4.2m and Subscriptions revenue amounting to EUR 1.5m.

4. DIRECT COSTS

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

5. EXCEPTIONAL COSTS

Exceptional costs relate to costs that are deemed by management to be significant one-offs in nature, including credit facility, refinancing and reorganisation costs.

During the second quarter of 2020, costs relating to the credit facility and refinancing amounted to EUR 1.7m (0.05) while reorganisation costs amounted to EUR 0.1m (0.1). During the six months ended 30 June 2020, credit facility and refinancing costs amounted to EUR 1.7m (0.05) while reorganisation costs amounted to EUR 0.5m (0.1). During the financial year ended 31 December 2019 exceptional costs of EUR 0.1m and EUR 0.3m related to the credit facility and reorganisation costs, respectively. Exceptional costs of EUR 2.7m related to the loss allowance on trade receivables and EUR 32.1m related to impairment on intangible assets. These were a result of Management's revised IFRS 9 assessment and the strategic review of the segments, which affected the value of the intangible assets in the last quarter of 2019.

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 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 2020	298,948	16,055	16,882	331,885
Additions	52	–	2,445	2,497
Change in estimates	(425)	–	–	(425)
Cost at 30 June 2020	**298,575**	**16,055**	**19,327**	**333,957**
Accumulated amortisation and impairment at 1 January 2020	(27,469)	(14,001)	(8,831)	(50,301)
Amortisation charge	(219)	(1,536)	(2,713)	(4,468)
At 30 June 2020	**(27,688)**	**(15,537)**	**(11,544)**	**(54,769)**
At 30 June 2020	**270,887**	**518**	**7,783**	**279,188**
At 30 June 2019	302,071	4,586	8,278	314,935

Additions of EUR 2.4m related to other intellectual property, which comprises costs for the development of websites and other applications. No asset acquisitions were concluded during the first and second quarter of 2020.

7. BORROWINGS

Borrowings at the end of the reporting period comprised an unsecured bond loan amounting to EUR 150.0m, under a framework of EUR 250.0m, maturing in March 2021. The terms and conditions were amended on 29 June 2020 and the maturity was extended until 2 March 2022. It also includes a utilised portion of EUR 12.5m of the revolving bank credit facility. The corresponding balance as at 31 March 2019 comprised the bond amounting to EUR 150.0m and the utilised portion of the bank credit facility amounting to EUR 3.0m.

The bond was listed on Nasdaq Stockholm on 6 April 2018 at a nominal value of EUR 100,000. Pursuant to the amended terms and conditions, the bond shall be secured by a pledge of all outstanding shares in Catena Operations Ltd and Catena Financial Ltd from 31 January 2021. Following the amended terms, the Company also made a EUR 49.5m mandatory partial prepayment on 16 July 2020. This prepayment was made in relation to all outstanding bonds by way of reducing the nominal amount of each bond pro rata by EUR 33,000 per bond, in aggregate EUR 49.5m. This mandatory partial prepayment per bond was made without premium but together with accrued but unpaid interest on the prepaid amount of EUR 0.3m. In addition to the mandatory partial prepayment, the amendment of the terms and conditions of the outstanding bonds entail that the Company is entitled to make additional voluntary partial prepayments of the bonds of up to EUR 4,000 per bond, in aggregate up to EUR 6.0m, on each interest payment date. The call option price for the redemption of the outstanding bonds will increase from
101.376 percent to 102.75 percent of the nominal amount as from 2 March 2021 and to 105 percent as from 2 September 2021. 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 bond was designated by management as a financial liability at fair value through profit or 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 148.7m, was determined by reference to multiple broker quotes. Accordingly, the bond's fair value was categorised within the IFRS 13 fair value hierarchy as Level 3.

The movements in fair value for the second quarter of 2020 and for the same quarter of the previous year, comprising a loss of EUR 14.4m and a gain of EUR 3.0m respectively, are recognised in “Other gains/(losses) on financial liability at fair value through profit or loss” in the income statement. The movements in fair value for the first half of 2020 and for the same period of the previous year, comprise a loss of EUR 10.7m and a gain of EUR 1.5m, respectively, The fair value movement for the year ended 31 December 2019 resulted in a gain of EUR 5.6m. If the estimated price of the bond increased by 1 percent, the estimated fair value of the bond would increase by EUR 1.5m. Similarly, if the estimated price of the bond decreased by 1 percent, the estimated fair value of the bond would decrease by EUR 1.5m.

Following the amended terms, EUR 49.5m of the bond liability, having a fair value of EUR 48.1m has been classified as current, while the remaining balance has been classified as non-current, since the repayment date has been extended to March 2022.

The amended terms for the multicurrency revolving bank facility with Swedbank AB (publ) provide available credit of EUR 12.5m out of which the full amount has been utilised. The Company has agreed to reduce the facility to EUR 7.5m by 30 September 2020 and to zero (0) by 31 December 2020. The RCF carries a floating rate of Euribor 3m +2.50 percent, with Euribor 3m being subject to a floor of 0 percent.

8. AMOUNTS COMMITTED ON ACQUISITION

Amounts committed on acquisition 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 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. By the end of the second quarter all commitments had been settled.

Movements during the period/year are summarised below:

Amounts in ‘000 (EUR)	**Jan–June 2020**	Jan–June 2019	Jan–Dec 2019
Opening balance	18,068	81,910	81,910
Settlements/set-offs	(17,579)	(18,521)	(50,195)
Notional interest charge	(4)	2,145	1,956
Adjustments arising as a result of a change in estimate	(485)	(12,059)	(15,603)
Closing balance	**–**	53,475	18,068

Amounts committed are further analysed as follows:

Amounts in ‘000 (EUR)	**30 June 2020**	30 June 2019	31 Dec 2019
Current			
Contingent	–	34,108	1,752
Non-contingent	–	19,367	16,316
Total amounts committed	–	53,475	18,068

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

9 LEASES

Following the adoption of IFRS 16 “Leases” in January 2019, the Group recognised lease liabilities in relation to leases that 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 percent.

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

Movements during the period/year are summarised below:

Amounts in '000 (EUR)	**Jan-June 2020**	Jan-June 2019	Jan-Dec 2019
Opening balance	7,782	9,258	9,258
Notional interest charge for the period/year, net of foreign exchange differences	196	254	449
New lease arrangements during the period/year	229	224	1,036
Payments	(1,658)	(1,378)	(2,961)
Closing balance	**6,549**	8,358	7,782

Lease liability is further analysed as follows:

Amounts in '000 (EUR)	**30 June 2020**	30 June 2019	31 Dec 2019
Current lease liability	2,675	2,641	3,094
Non-current lease liability	3,874	5,717	4,688
	6,549	8,358	7,782

The current portion of the lease liability is included within "Trade and other payables" on the statement of financial position.

The associated right-of-use asset for property leases as of 1 January 2019 was measured at an amount equivalent to the lease liability plus prepaid lease expenses, and amounted to EUR 9.3m. 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 2020**	30 June 2019	31 Dec 2019
Properties	**6,146**	8,238	7,433

10 HYBRID CAPITAL SECURITIES

On 17 April 2020, the Company announced that the Board of Directors of Catena Media plc proposed that an Extraordinary General Meeting be held to decide on a fully guaranteed Rights Issue of units consisting of hybrid capital securities, accredited 100 percent equity treatment according to International Financial Reporting Standards (IFRS), and warrants with preferential rights for the Company's existing shareholders (the "Rights Issue"). On 10 June 2020, the EGM resolved to carry out the Rights Issue.

The subscription price for the Rights Issue was set to SEK 100.0 per Unit. Each Unit consisted of one (1) hybrid capital security and six (6) warrants. Interest is paid at a floating rate of STIBOR 3m + 8 percent per annum. The company may redeem the hybrid capital securities in full on the first call date, which falls five (5) years after the Issue Date (10 July 2020). If the hybrid capital securities are not redeemed on the first call date, interest will be increased to STIBOR (three (3) months) plus eleven (11) per cent per annum during the first year, and then increased by one (1) percentage point per annum each year the hybrid capital securities are still outstanding. The company may, at any time and at its sole discretion, elect to defer any interest payment, in whole or in part, which is otherwise scheduled to be paid on an interest payment date (except on any interest payment date on which the hybrid capital securities are to be redeemed) by giving notice of such election in accordance with Terms and Conditions of the hybrid capital securities.

On 29 June 2020, the Company announced that the Rights Issue had been oversubscribed, thus fulfilling a condition under the written procedure for the amendment of the terms and conditions of the existing bonds, and that the EUR 49.5m mandatory partial prepayment of the outstanding bond would be carried out on 16 July 2020.

The Rights Issue comprised a total of 6,840,971 Units and the subscription period ran from 15 June to 26 June 2020. The final outcome of the Rights Issue shows that the Rights Issue was subscribed by a total of approximately 117 percent, of which approximately 86.7 per cent. or approximately SEK 593 million. was subscribed with unit subscription rights, approximately 28.6 per cent, or approximately SEK 196 million was subscribed without unit subscription rights, and approximately 1.7 per cent, or SEK 11.5 million allotted to members of the Company's board of directors in excess of Units subscribed with exercise of unit subscription rights. This means that the external guarantee undertakings provided in the Rights Issue have not been utilised. The Company has received approximately SEK 684 million through the Rights Issue before deduction of transaction-related costs.The final outcome of the Rights Issue was a total subscription of SEK 684.1m, At the end of the second quarter of 2020, hybrid capital securities having a nominal value of EUR 65.7m, net of issuance costs of EUR 8.3m have been reported as equity. Further detail is found in the table below.

Amounts in '000 (EUR)	**30 June 2020**
Hybrid capital securities at nominal amount	65,732
Funds received and reported as cash and cash equivalents	56,966
Receivable amount as at the end of reporting period	8,766
	65,732

Amounts in '000 (EUR)	**30 June 2020**
Hybrid capital securities at nominal amount	65,732
Issuance costs	
Advisory costs, including financial, legal and assurance	(2,030)
Commission fees to guarantors	(6,293)
Total issuance costs	(8,323)
Hybrid capital securities disclosed as at end of the reporting period	**57,409**

Condensed Parent Company interim statements of income and other comprehensive income

Amounts in ’000 (EUR)	**April–June 2020**	April–June 2019	**Jan–June 2020**	Jan–June 2019	Jan–Dec 2019
Personnel expenses	**(303)**	(183)	**(777)**	(338)	(953)
Credit facility and refinancing related costs	**(93)**	(15)	**(146)**	(15)	(30)
Recharge of credit facility and refinancing related costs to subsidiary	**93**	15	**146**	15	30
Other operating expenses	**(26)**	(56)	**(60)**	(105)	(194)
Other operating income	**20**	20	**40**	40	79
Total operating expenses	**(309)**	(219)	**(796)**	(403)	(1,068)
Operating loss	**(309)**	(219)	**(796)**	(403)	(1,068)
Interest payable on borrowings	**(2,212)**	(2,146)	**(4,458)**	(4,294)	(8,716)
Recharge of interest to subsidiary	**2,212**	2,146	**4,458**	4,294	8,716
Other (losses)/gains on financial liability at fair value through profit or loss	**(14,883)**	3,000	**(10,683)**	1,500	5,550
Other finance costs	**(1)**	(5)	**(3)**	(5)	(9)
Finance income	**–**	–	**–**	–	2
(Loss)/profit before tax	**(15,193)**	2,776	**(11,483)**	1,092	4,475
Tax expense	**–**	–	**–**	–	–
(Loss)/profit for the period/year - total comprehensive income	**(15,193)**	2,776	**(11,483)**	1,092	4,475

Condensed Parent Company interim balance sheet

Amounts in '000 (EUR)	**30 June 2020**	30 June 2019	31 Dec 2019
ASSETS			
Non-current assets			
Investment in subsidiaries	**791**	1,379	1,509
Current assets			
Trade and other receivables	**266,289**	225,439	246,441
Cash and cash equivalents	**57,290**	922	109
Total current assets	**323,579**	226,361	246,550
Total assets	**324,370**	227,740	248,059
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**92**	85	88
Share premium	**89,405**	68,008	77,196
Hybrid capital securities	**57,409**	–	–
Other reserves	**7,461**	1,403	1,967
Retained earnings	**897**	8,997	12,380
Total equity	**155,264**	78,493	91,631
Liabilities			
Non-current liabilities			
Borrowings	**99,621**	145,500	150,950
Total non-current liabilities	**99,621**	145,500	150,950
Current liabilities			
Borrowings	**61,567**	–	–
Trade and other payables	**7,918**	3,747	5,478
Total current liabilities	**69,485**	3,747	5,478
Total liabilities	**169,106**	149,247	156,428
Total equity and liabilities	**324,370**	227,740	248,059

Definitions of alternative performance measures

ATERNATIVE KEY RATIO	DESCRIPTION	SCOPE
EBITDA	Operating profit before depreciation and amortisation, and impairment on intangible assets.	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 exceptional costs.	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 exceptional costs, which provides a better under-standing 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.
EXCEPTIONAL COSTS	Costs that are not part of the normal operations of the business.	Exceptional costs are costs that do not relate to the ongoing operations of the business. Examples include bond issue costs, credit facility related costs, loss allowances on trade receivables, impairment on intangible assets as well as reorganisation costs.
ORGANIC GROWTH	Revenue growth rate excluding portfolios and products that have been acquired in the past 12 months. Paid and subscription 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 less deposits expressed as a percentage of short-term liabilities.	The Group reports this key ratio to show the Group'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 Group's ability to convert its profits into available cash.
RETURN ON EQUITY, ROLLING 12 MONTHS	Profits after tax expressed as a percentage of average equity for the past 12 months	The Group reports this key ratio so that users of the report can monitor how efficiently management is using investment funds from its shareholders to generate growth and profit.
EQUITY TO ASSETS RATIO	Total equity expressed as a percentage of total assets	The Group reports this key ratio to show how much of the company's assets are funded by total equity.
NET INTEREST-BEARING LIABILITIES (NIBL)	Interest-bearing liabilities less cash and cash equivalents	The Group reports this key ratio to show the outstanding balance of interest-bearing liabilities after deducting its most liquid assets, cash and cash equivalents.
NIBL/EBITDA MULTIPLE	Interest-bearing liabilities less cash and cash equivalents divided by EBITDA	The Group reports this key ratio to be used by management to measure how many years it would take for the Group to repay its debts if NIBL and EBITDA are held constant.
NIBL/ADJUSTED EBITDA MULTIPLE	Interest-bearing liabilities (notional amount including redemption premium) less cash and cash equivalents divided by adjusted EBITDA	The Group reports this key ratio to be used by management to measure how many years it would take for the Group to repay its debts, excluding exceptional costs if NIBL and adjusted EBITDA are held constant.
DEBT/EQUITY RATIO MULTIPLE	Total Liabilites per total equity	The Group reports this key ratio to show the Group's ability to cover all outstanding debts by its total equity