catenamedia

Interim report | January - June 2017

Second quarter of 2017

- Revenues totalled EUR 15.10 million (9.58), an increase of 58 percent year-on-year (YoY).
- Operating profit increased to EUR 5.38 million (5.07) corresponding to an operating margin of 36 percent (53). Adjusted operating profit excluding costs related to the new bond issue and the preparation for the planned change of listing to NASDAQ Stockholm, amounted to EUR 7.06 million (5.01), corresponding to an adjusted operating profit margin of 47 percent (52).
- EBITDA amounted to EUR 6.27 million (5.32) corresponding to an EBITDA margin of 42 percent (56). Adjusted EBITDA excluding costs related to the new bond issue and preparation for the planned change of listing to NASDAQ Stockholm, amounted to EUR 7.95 million (5.26), corresponding to an adjusted EBITDA margin of 53 percent (55).
- Earnings per share amounted to EUR 0.102 (0.089) before dilution.
- Earnings per share amounted to EUR 0.100 (0.089) after dilution.
- Search revenue at all time high EUR 11.53 million (7.27), an increase of 59 percent YoY corresponding to 76 percent of total revenues.
- Record in new depositing customers (NDCs) which totalled 91,222 (47,530), an increase of 92 percent YoY and an increase of 13 percent compared to the previous quarter.

58%	47%	91,222
Revenue growth Q2 2017/Q2 2016	**Adjusted operating profit margin**	**NDCs**

First six months of 2017

- Revenues totalled EUR 30.33 million (17.04), an increase of 78 percent YoY.
- Operating profit increased to EUR 12.03 million (8.25) corresponding to an operating margin of 40 percent (48). Adjusted operating profit excluding non-recurring expenses, which during this period comprised costs related to the new bond issue and preparation for the planned change of listing to NASDAQ Stockholm, amounted to EUR 14.05 million (9.17), corresponding to an adjusted operating profit margin of 46 percent (54).
- EBITDA increased to EUR 13.49 million (8.66) corresponding to an EBITDA margin of 44 percent (51). Adjusted EBITDA excluding costs related to the new bond issue and preparation for the planned change of listing to NASDAQ Stockholm, amounted to EUR 15.51 million (9.58), corresponding to an adjusted EBITDA margin of 51 percent (56).
- Earnings per share amounted to EUR 0.186 (0.164) before dilution.
- Earnings per share amounted to EUR 0.182 (0.163) after dilution.
- NDCs totalled 171,643 (79,851), an increase of 115 percent YoY.

Significant events during the second quarter

- In May, Catena Media acquired the assets of Online Media, a UK-based, fast-growing sports betting affiliate with a strong position within display marketing. The acquired assets have a running rate of sales of approximately EUR 0.30 million per month and a pre-tax profit margin of more than 70 percent. The consideration for the assets amounted to GBP 11.65 million with a maximum earn-out of GBP 5.77 million based on revenue performance over a period of 12 months.
- Also in May, Catena Media acquired Newcasinos.com and its related affiliate assets. Newcasinos.com specialises in reviewing and rating new online casinos, the main markets being the UK, Sweden and Norway. The acquired assets are expected to generate quarterly sales of approximately EUR 0.55 million and a pre-tax profit margin of about 80 percent. The consideration for these assets amounted to EUR 7.65 million with a maximum earn-out of EUR 4.25 million based on revenue performance over a period of 12 months.
- In June, Catena Media acquired the casino affiliate sites MrGamez.net and Spielekiste.de, focusing on German-language casino sites. The acquired assets are expected to generate quarterly sales of approximately EUR 0.30 million and a pre-tax margin of about 80 percent. The consideration for these assets amounted to EUR 4.20 million with a maximum earn-out of EUR 2.25 million based on revenue performance over a period of 12 months.
- Also in June, Catena Media completed a tap issue of EUR 50 million under the Parent Company's outstanding maximum EUR 100 million senior secured callable floating rate bond issue due in September 2019. The proceeds from the tap issue will be utilised primarily for acquisitions and future earn-out payments.
- In June 2017, 93,275 new shares in the Parent Company were issued to be utilised as part settlement of the first earn-out payment for the US asset acquisition.

Significant events during the first quarter

- In January, Catena Media continued to strengthen the management team through recruitments to a number of key positions. Johannes Bergh was appointed as Chief Operating Officer (COO) whilst Claes Wenthzel was recruited as the new Group Chief Financial Officer (CFO). Claes Wenthzel has extensive experience as CFO at several listed companies.
- In January, 440,669 new shares in the Parent Company were issued to be utilised as part settlement of the upfront payment for the US asset acquisition, where revenue and expenses are reflected from January 16, 2017.
- In February, Catena Media acquired the assets of the Swedish focused casino affiliate, Slotsia.com. The purchase price comprised of a first instalment of EUR 3.58 million. Additional earn-out payments can amount to a maximum of EUR 5.00 million, and are based on the revenue performance over a period of 2 years.
- In March 2017, Catena Media secured a long-term partnership with SBAT founder Gary Gillis, whereby the earn-out arrangement under his original acquisition agreement was amended and replaced by an immediate and final payment of EUR 3.25 million as settlement for the asset acquisition. Following the amendment to the acquisition agreement, the SBAT founder entered into an employment agreement with Catena Media.

Significant events after the reporting period

- In July 2017, Catena Media acquired the award-winning sports affiliate Bettingpro.com continuing to grow its sports betting segment. Bettingpro.com is a highly-regarded publisher of sports news, tips and betting advice with a focus on acquiring leads for regulated UK and Australian gaming operators. The acquired assets are expected to generate quarterly sales of approximately EUR 1.20 million and a pre-tax margin of about 55 percent. The consideration for the assets amounted to GBP 13.90, of which GBP 2 million will be paid 6 months after completion, conditional on a successful handover of the assets.

Consolidated key data and ratios

Some financial measures presented in this interim report are not defined by IFRS. These measures will provide valuable additional information to investors and management for evaluating the financial performance and position of Catena Media. These measures, as defined on page 25 to 29 of this report, will not necessarily be comparable to similarly titled measures in other companies' reports. These non-IFRS measures should not be considered as substitutes to financial reporting measures prepared in accordance with IFRS. The alternative performance measures reported in the following tables are not defined by IFRS.

Group	**Apr - Jun 2017**	Apr - Jun 2016	**Jan - Jun 2017**	Jan - Jun 2016	Jan - Dec 2016
Financial measures defined by IFRS:					
Operating revenues (€ '000)	**15,098**	9,578	**30,326**	17,037	40,049
Earnings per share before dilution (€)	**0.102**	0.089	**0.186**	0.164	0.319
Earnings per share after dilution (€)	**0.100**	0.089	**0.182**	0.163	0.313
Weighted average number of outstanding shares at periods end before dilution (€ '000)	**51,907**	51,445	**51,841**	49,767	50,611
Weighted average number of outstanding shares at periods end after dilution (€ '000)	**53,038**	51,622	**52,969**	49,943	51,564
Alternative Performance Measures:					
Operating profit (€ '000)	**5,383**	5,074	**12,027**	8,253	18,646
Operating profit margin (%)	**36**	53	**40**	48	47
Adjusted operating profit (€ '000)*	**7,064**	5,011	**14,051**	9,168	21,027
Adjusted operating profit margin (%)*	**47**	52	**46**	54	53
EBITDA (€)	**6,273**	5,320	**13,488**	8,660	19,683
EBIDTA margin (%)	**42**	56	**44**	51	49
Adjusted EBIDTA (€ '000)	**7,954**	5,257	**15,512**	9,575	22,064
Adjusted EBIDTA margin (%)*	**53**	55	**51**	56	55
Effective tax rate (%)	**8.5**	5.9	**7.8**	6.2	7.8
NDC ('000)	**91**	48	**172**	80	205
Average shareholders' equity, last 12 months	**56,184**	22,876	**56,184**	22,876	41,800
Return on equity, rolling 12 months (%)	**31**	59	**31**	59	39
Equity to asset ratio (%)	**29**	66	**29**	66	40
Quick ratio (%)	**132**	87	**132**	87	249
Net interest-bearing liabilities (NIBL) (€ '000)	**49,287**	(5,418)	**49,287**	(5,418)	5,287
NIBL/EBITDA multiple	**2.01**	(0.38)	**2.01**	(0.38)	0.29
Net debt/equity ratio multiple	**2.47**	0.51	**2.47**	0.51	**1.55**
Equity per share before dilution (€)	**1.317**	0.891	**1.319**	0.921	1.064
Equity per share after dilution (€)	**1.289**	0.888	**1.291**	0.918	1.044
Average number of employees	**234**	122	**230**	109	139
Employees at period's end	**239**	129	**239**	129	190

**Adjusted for non-recurring costs of EUR 1.68 million (0,06) in Q2 2017 of which EUR 1.00 million (0)relate to the new bond issue and EUR 0.68 million relate to the preparation for the planned change of listing on NASDAQ Stockholm, and income of EUR 0.06 million in Q2 2016. Total IPO and bond costs for the first six months of 2017 amounted to EUR 2.02 million (0.92). Total IPO and bond costs for the year ended 31 December 2016 amounted to EUR 2.38 million.*

Q2 comments from Robert Andersson, CEO

A successful quarter with strong underlying developments

Catena Media continued its strong development in the second quarter of 2017. Through our scalable business model, we managed to gain revenues that amounted to EUR 15.10 million, corresponding to a year-on-year revenue-growth of 58 percent. Furthermore, adjusted EBITDA was at an all-time-high of EUR 7.95 million, corresponding to an adjusted EBITDA margin of 53 percent.

We referred 91,222 NDCs to our clients in the second quarter, an increase of 92 percent year-on-year and an increase of 13 percent compared to the first quarter. The strong development of this key performance indicator is a reflection that the underlying business development continues to be strong and healthy.

Search revenues are at an all-time-high of EUR 11.53 million, an increase of 58 percent year-on-year, and an increase of 5 percent compared to the previous quarter despite a negative impact of EUR 0.3 million as a result of withdrawing from the Dutch market. Paid revenues amounted to EUR 3.11 million, an increase of 35 percent year-on-year but a decrease of 16% compared to the previous quarter due to sports seasonality and the ongoing shift to perpetual revenue models on paid media.

Speeding up product innovation

The second quarter has been characterized by the highest rate of product launches ever. The announcement and debut of the revamped JohnSlots website, one of Catena´s most important brands, has been a success with a significant increase in traffic. We are also proud to have launched our first e-sports site, called gamerbetz.com, which is a partnership with Gamerz, a global e-sports reality TV show. In addition to this, we launched a new sports podcast in Sweden which quickly became a success.

Seasonal effects

Historically, seasonal effects on revenues have been quite limited since online casino behaviour is typically less sensitive to seasonality. However, since an increasing portion of our revenues are now generated from Sports, we will naturally start to experience more seasonal effects. Sports turnover is closely correlated with available sports events at any given time, and this summer is particularly slow due to lack of any big sports events.

Catena temporarily withdraws from the Dutch market

Catena Media adheres to strict compliance standards regarding the operators to whom it supplies traffic through its affiliate network and operates in compliance with applicable laws. Recently, the Dutch Gaming Authority, KSA, decided to take a stricter approach to iGaming sites that target Dutch players, and as a result Catena Media decided to temporarily withdraw from the Dutch market to fully comply with applicable law. Short term this will impact revenues negatively by approximately EUR 100-150 thousand per month, but longer term it puts us in a favorable position, if and when, the Dutch market re-regulates. The Upper House of Parliament is currently considering the Remote Gaming bill which aims to regulate online gambling.

Office expansion

As a result of our fast paced growth, we have outgrown our office spaces in London, Malta and Serbia. Therefore, we have moved into brand new offices in both London and Serbia during the first quarter and we are now in the process of moving into our brand new headquarters in Malta. The office expansion enables us to continue building our already strong and multifaceted workforce, currently consisting of 239 engaged employees from over 30 countries.

Q2 comments from Robert Andersson, CEO - continued

Strategic update

Through both organic and acquired growth, Catena Media´s vision is to become the world´s number one provider of high-value iGaming leads. During the second quarter, Catena Media acquired three affiliate networks, including affiliate websites, accounts and associated agreements. In July, we acquired the award–winning sports affiliate Bettingpro.com and related affiliate assets. These acquisitions further cement our role as the leading consolidator in the affiliate market. In June, we were successful in raising EUR 50 million, the second tranche of our EUR 100 million bond. The proceeds will primarily be used for further acquisitions, and we are in ongoing talks with several potential targets.

Our strategic decision to focus more on perpetual revenue has continued, and 64 percent of the revenues in the second quarter were generated from perpetual revenue share agreements, up from 51 percent in the first quarter. This has negative short-term effects on revenues and margins, particularly in paid media where upfront payments are typically higher, but longer term it is believed to generate more revenue per customer. As from the fourth quarter and onwards we expect to start seeing the benefits from this strategic shift in a more noticeable way.

Regulated and near-regulated markets continue to be a core focus area for Catena Media, and it is estimated that approximately 60 percent of the revenue stems from licensed operators in regulated markets. If we include Sweden, which is likely to be regulated in the not too distant future, the regulated share would increase to over 70 percent. This shows that Catena Media is well prepared to face the ongoing regulatory changes currently underway across Europe.

Also, our planned listing on NASDAQ Stockholm (Mid Cap) is progressing well and the aim is to complete this change of listing during the second half of 2017.

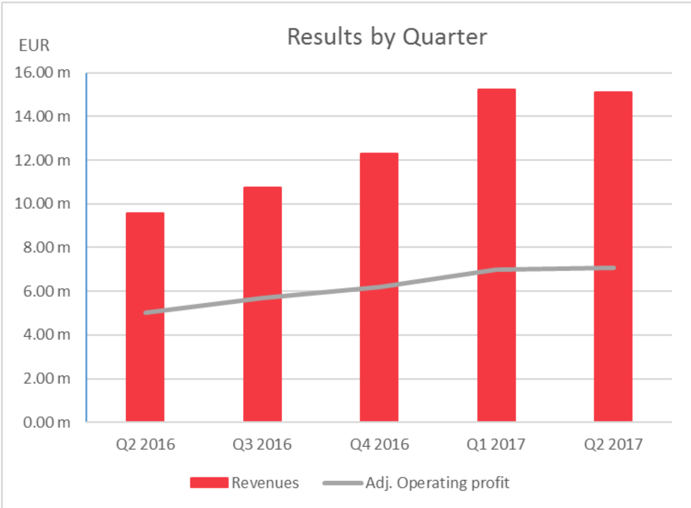
Outlook

With strong underlying developments and the sports season starting full throttle mid-August, the table is set for a very exciting second half of the year. We remain optimistic on our strategic, operational and financial development, and are confident that the we will continue to grow in the same successful way, both through organic growth and through acquisitions across existing and new geographic markets.

Financial performance during the second quarter of 2017

REVENUES

The Group's revenues totalled EUR 15.10 million (9.58) in the second quarter, corresponding to a year-on-year increase of 58 percent. Search revenue represented EUR 11.53 million (7.27) of total revenue. The increase in search revenue was driven in part by organic growth and in part through acquisitions made. Paid revenue amounted to EUR 3.11 million (2.31). This revenue is principally related to pay-per-click (PPC) traffic. Furthermore, other operating income of EUR 0.46 million (nil) related to a one-off compensation for loss of revenue received from a partner in relation to PPC traffic.



EXPENSES

Operating expenses amounted to EUR 9.72 million (4.50). Direct costs related to paid revenue represented a significant expense component and amounted to EUR 1.92 million (1.67). These costs predominantly related to AdWords (Google spend) costs and similar costs.

Personnel expenses amounted to EUR 3.11 million (1.48). The increase in personnel expenses was due to the recruitment of additional members of top and middle management and other employees across the organisation, which was driven by the strong growth being experienced by the Group. The headcount totalled 239 employees at the close of the second quarter of this year compared to the 129 employees at the close of the same quarter in 2016. This also gave rise to the significant increase in other operating expenses as a result of an increase in staff-related support costs, such as increased office expenses, additional office rent, more software user licences, recruitment agency fees and other similar costs included in other operating expenses.

Further to the above, due to this rapid expansion, the Group also incurred an increase in other operating expenses which included domain renewal fees for SEO efforts, external consultancy fees and server hosting fees. Other operating expenses amounted to EUR 2.12 million (1.18).

Depreciation and amortisation amounted to EUR 0.89 million (0.25). The increase in depreciation and amortisation was mainly attributable to the acquisition of competitor player databases during the current and prior periods.

Costs relating to the new bond issue amounted to EUR 1.00 million (nil), while costs relating to the listing on NASDAQ Stockholm amounted to EUR 0.68 million (income of EUR 0.06 million).

Financial performance during the second quarter of 2017

EARNINGS

Operating profit for the second quarter of 2017 amounted to EUR 5.38 million (5.07), an increase of 6 percent compared to the corresponding quarter of the previous year. Operating profit for the second quarter of 2017 included non-recurring costs of EUR 1.68 million relating to the new bond issue and preparation for the planned change of listing on NASDAQ Stockholm, while operating profit in the second quarter of 2016 included non-recurring income of EUR 0.06 million. Adjusted operating profit amounted to EUR 7.06 million (5.01), corresponding to an adjusted operating profit margin of 47 percent (52). The decrease in operating margin was a result of the strategy to change the revenue model by increasing revenue share arrangements, and was also due to the lower margins earned through Paid revenue when compared to Search revenue.

Profit before tax amounted to EUR 5.80 million (4.87), an increase of 19 percent year on year.

Profit for the period amounted to EUR 5.31 million (4.59). Earnings per share amounted to EUR 0.102 (0.089).

For the quarter ended 30 June 2017, the Group had an effective tax rate of 9 percent (6).

INVESTMENTS

Investments in intangible assets, which consist of player databases, websites and domains, amounted to EUR 39.74 million (22.15) during the quarter, net of an adjustment to previously recognised contingent considerations of EUR 11.36 million (nil) as a result of changes in estimates. Development of websites and other applications amounted to EUR 1.07 million (nil).

Acquisitions of property, plant and equipment amounted to EUR 0.22 million (0.06).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Operating cash flow

Cash flow from operating activities before changes in working capital amounted to EUR 5.99 million (5.35) for the quarter. Depreciation and amortisation charges amounted to EUR 0.89 million (0.25). Interest expense related to the bond amounted to EUR 1.01 (nil) and the notional interest charge on contingent considerations amounted to EUR 0.57 (nil). Net gains on financial liabilities measured at fair value through profit or loss arising on the bond amounted to EUR 0.11 million (nil). Net cash generated from operating activities, excluding the increase in short-term earn-out liabilities relating to recent acquisitions, amounted to EUR 2.50 million (0.84).

Investing activities

Cash flows used in investing activities amounted to EUR 24.77 million (15.81) and primarily related to the acquisition of intangible assets during the quarter. Other cash outflows during the quarter related to the acquisition of property, plant and equipment amounting to EUR 0.33 million (0.05).

Financing activities

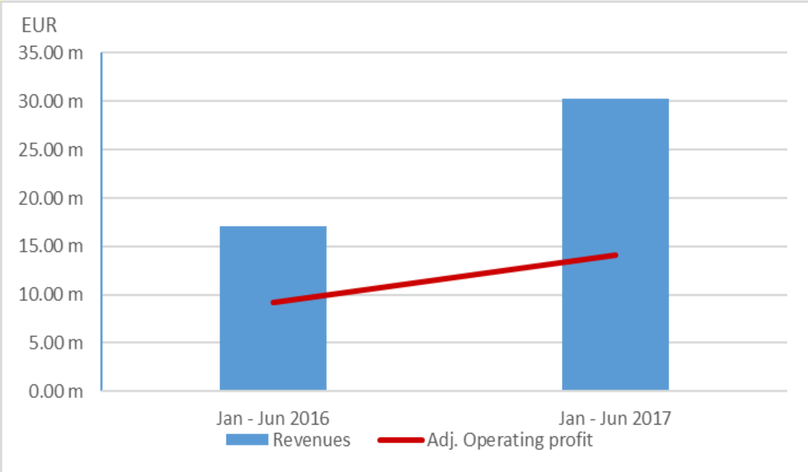
Cash flows from financing activities amounted to EUR 49.17 million. This comprised EUR 50.05 million in proceeds from the new bond issue, net of interest paid on the bond of EUR 0.87 million (nil). During the corresponding quarter in 2016, cash flow from financing activities amounted to nil.

Cash and cash equivalents at the end of the quarter amounted to EUR 50.71 million (5.42).

Financial performance during the first six months of 2017

REVENUES

The Group's revenue totalled EUR 30.33 million (17.04) in the first six months of 2017, corresponding to a year on year increase of 78 percent. Search revenue represented EUR 22.47 million (12.76) of total revenue. The increase in search revenue was driven in part by organic growth and in part through acquisitions made. Paid revenue amounted to EUR 6.80 million (4.28). This revenue is principally related to pay-per-click (PPC) traffic. Other operating income of EUR 1.06 million (nil) related to one-off compensation for loss of revenue received from a partner in relation to PPC traffic.



EXPENSES

Operating expenses amounted to EUR 18.30 million (8.78). Direct costs related to paid revenue represented a significant expense component and amounted to EUR 4.88 million (2.95). These costs predominantly related to AdWords (Google spend) costs and similar costs.

Personnel expenses amounted to EUR 5.94 million (2.48). The increase in personnel expenses was due to the recruitment of additional members of top and middle management and other employees across the organisation, which was driven by the strong growth being experienced by the Group. The headcount totalled 239 employees at the close of the second quarter of this year, compared to the 129 employees at the close of the corresponding quarter in 2016. This also gave rise to the significant increase in other operating expenses as a result of an increase in staff-related support costs such as increased office expenses, additional office rent, more software user licences, recruitment agency fees and other similar costs included in other operating expenses.

Further to the above, due to this rapid expansion, the Group also incurred an increase in other operating expenses which included domain renewal fees for SEO efforts, external consultancy fees and server hosting fees. Other operating expenses amounted to EUR 3.99 million (2.04).

Depreciation and amortisation amounted to EUR 1.46 million (0.41). The increase in depreciation and amortisation was mainly attributable to the acquisition of competitor player databases during the current and prior periods.

Costs relating to the new bond issue amounted to EUR 1.00 million (nil) while costs relating to the listing on NASDAQ Stockholm amounted to EUR 1.02 million (0.92).

Financial performance during the first six months of 2017 - continued

EARNINGS

Operating profit for the first six months of 2017 amounted to EUR 12.03 million (8.25), an increase of 46 percent compared with the corresponding period of the previous year. The decrease in operating margin was a result of the strategy to change the revenue model by increasing revenue share arrangements and was also due to the lower margins earned through paid revenue when compared to search revenue. Operating profit for first six months of 2017 included non-recurring expenses related to the new bond issue and preparation for the planned change of listing on NASDAQ Stockholm of EUR 2.02 million (0.92). Adjusted operating profit amounted to EUR 14.05 million (9.17), corresponding to an adjusted operating profit margin of 46 percent (54).

Profit before tax amounted to EUR 10.44 million (8.70), an increase of 20 percent year-on-year.

Profit for the period amounted to EUR 9.63 million (8.16). Earnings per share amounted to EUR 0.186 (0.164).

For the period ended 30 June 2017, the Group had an effective tax rate of 8 percent (6).

INVESTMENTS

Investments in intangible assets, which consist of player databases, websites and domains, amounted to EUR 89.85 million (32.50) during the first six months, net of an adjustment to previously recognised contingent considerations of EUR 11.36 million (nil) as a result of changes in estimates. Development of websites and other applications amounted to EUR 1.48 million (nil).

Acquisitions of property, plant and equipment amounted to EUR 0.36 million (0.10).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Operating cash flow

Cash flow from operating activities before changes in working capital amounted to EUR 13.19 million (8.81) for the period. Depreciation and amortisation charges amounted to EUR 1.46 million (0.41). Interest expense related to the bond amounted to EUR 1.86 million (nil) and the notional interest charge on contingent considerations amounted to EUR 1.01 million (nil). Net losses on financial liabilities measured at fair value through profit or loss arising on the bond amounted to EUR 0.77 million (nil). Net cash generated from operating activities, excluding the increase in short-term earn-out liabilities relating to recent acquisitions, amounted to EUR 6.48 million (3.15).

Investing activities

Cash flows used in investing activities amounted to EUR 49.59 million (24.10) and were primarily related to the acquisition of intangible assets during the period. Other cash outflows during the period related to the acquisition of property, plant and equipment and available for sale financial assets amounting to EUR 0.62 million (0.16) and EUR 0.59 million (nil) respectively.

Financing activities

Cash flows from financing activities amounted to EUR 48.32 million (24.21) and comprised the proceeds received from the new bond issue of EUR 50.05 million (nil), net of interest payable on the bond of EUR 1.73 million (nil). In the comparative period, cash flows from financing activities related to proceeds received on the issuance of share capital.

Cash and cash equivalents at the end of the period amounted to EUR 50.71 million (5.42).

The Catena Media shares

On 11 February 2016, Catena Media plc was listed on NASDAQ First North Premier, Stockholm, under the trading symbol 'CTM'. Further information about the listing is available in the prospectus, which is available on the Company's website at https://www.catenamedia.com/investors/prospectus.

The offering, including the over-allotment option, was subscribed for in full and comprised a total of 29,580,990 shares, of which 7,273,000 shares were newly issued shares and 22,307,990 existing shares. The subscription price for the offering was SEK 33 per share and Catena Media raised SEK 229.80 million corresponding to EUR 24.14 million in equity after issue costs.

On 9 January 2017, 440,669 new shares in Catena Media plc were issued with a nominal value of EUR 0.0015 per share and a share premium of EUR 7.9994 per share. These shares were issued to be utilised as part of the settlement of the upfront consideration for the US acquisition. On 9 June 2017, a further 93,275 new shares were issued with a nominal value of EUR 0.0015 per share and a share premium of EUR 10.6222 per share. These shares were issued to be utilised as part settlement of the first earn-out payment for the US asset acquisition. After these new share issues, the total number of issued shares amounted to 51,979,096.

Ownership structure

Shareholders in Catena Media plc as at 30 June 2017 (source: Euroclear)

Shareholders	Number of shares	Share of capital and votes%
Optimizer Invest Ltd.	8,217,485	15.81%
Aveny Ltd.	5,110,934	9.83%
Pixel Wizard Ltd.	4,098,624	7.89%
Investment AB Öresund	3,230,303	6.21%
Swedbank Robur Fonder	3,212,504	6.18%
Carnegie Småbolagsfond	2,675,000	5.15%
Knutsson Holdings AB	2,400,000	4.62%
Handelsbanken Fonder	2,399,877	4.62%
LJFK Ltd	2,000,000	3.85%
Ram One	1,865,838	3.59%
Total Top-10 shareholders	35,210,565	67.74%
Other shareholders	16,768,531	32.26%
Total	**51,979,096**	**100.00%**

Other

PARENT COMPANY

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

During the second quarter of 2017 no dividends were received from its subsidiary. During the first six months of 2017, "Investment and related income" included dividends amounting to EUR 3.62 million (nil) and a refund of tax charged to non-resident shareholders upon distribution of these dividends amounting to EUR 1.08 million (nil).

Non-recurring expenses in the second quarter of 2017 amounted to EUR 0.90 million (nil), whilst bond finance costs amounted to EUR 1.01 million (nil). During the first six months of 2017, non-recurring expenses amounted to EUR 0.91 million (0.02), while bond finance costs amounted to EUR 1.86 million (nil). Bond finance costs are classified in "Interest payable on borrowings". The fair value gain on the bond in the second quarter of 2017 amounted to EUR 0.11 million (nil), whilst the fair value loss on the bond during the first six months of 2017 amounted to EUR 0.77 million (nil). The fair value movement is classified in "Other gains/(losses) on financial liability at fair value through profit or loss".

During the second quarter of 2017, personnel expenses amounted to EUR 0.11 million (0.03), while other operating expenses amounted to EUR 0.06 million (0.03). Personnel expenses for the period ended 30 June 2017 amounted to EUR 0.17 million (0.05), while other operating expenses amounted to EUR 0.11 million (0.03).

Loss for the second quarter of 2017 amounted to EUR 2.02 million (0.22). Loss for the period ended 30 June 2017 amounted to EUR 0.51 million, whilst profit for the comparative period amounted to EUR 0.39 million.

The Parent Company's cash and cash equivalents amounted to EUR 48.04 million (4.75) and, borrowings, which are recognised at fair value through profit and loss, comprised the bond amounting to EUR 102.25 million (nil). Equity amounted to EUR 29.47 million (27.69) at the end of the period.

EMPLOYEES

The Group's total number of employees at 30 June 2017 amounted to 239 (129), of which 89 (49) were women and 150 (80) were men. Expressed as percentages, women represented 37 percent (38) of the total number of employees whilst men represented 63 percent (62). All employees are employed on a full-time basis. Due to its rapid growth, the Group is continuing to recruit new employees.

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 and/or restricted. If enforcement or other regulatory actions are brought against any of the online gambling operators, which are also the Group's customers, whether current or future, the Group's revenue streams from such customers may be adversely affected. Furthermore, the authority concerned may also claim that the same or similar actions should be brought against any third party having promoted the business of such online gambling operator, 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 results of operations. To manage this risk, the Group is active in regulated and unregulated markets and Catena Media's customer base is very diverse.

Another risk faced by the Group relates to its reliance on its customers when determining the fees to be invoiced by the Group to its customers. Once a player directed by the Group has registered with one of its customers, the Group has no direct insight into the activities of such a player. Although the Group may request access to the net revenue calculations upon which the Group's fees are determined, there remains a risk of miscalculation, including fraudulent or negligent calculations made by its customers or as a result of human error. If such miscalculations occur without being detected and subsequently remedied or retroactively 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 being the risk that customers do not pay for the services rendered.
- Market risk being the risk arising from adverse movement in foreign exchange rates and interest rates.
- Liquidity risk being the risk of difficulties in obtaining funding to meet the Groups obligations when they fall due.
- Operational risk being the risk that the Group loses its ability to maintain efficient SEO and PPC capabilities.

Full details on risks are published in the 2016 Annual Report.

The Board of Directors and the Chief Executive Officer certify that this interim report provides a true and fair overview of the Group and the Parent Company's operations, performance and financial positions for the period, and describes the material risks and uncertainties facing the Group companies and the Parent Company.

Malta, 18 August 2017

KATHRYN MOORE BAKER
Chairman of the Board

PER ANDERS HENRIK PERSSON EKDAHL
Board Member

MATS ALDERS
Board Member

ANDRE LAVOLD
Board Member

ANDERS BRANDT
Board Member

MATHIAS HERMANSSON
Board Member

ROBERT ANDERSSON
CEO

This report has not been reviewed by the Group's auditors

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Financial calendar

Q3 interim report 2017	17 November 2017

Contact details

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This information is information that Catena Media plc is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 18 August 2017, at 07:00 a.m. CET.

Condensed consolidated interim statements of comprehensive income (unaudited)

Group	Notes	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
		€ '000	€ '000	**€ '000**	€ '000	€ '000
Revenue	3	**14,638**	9,578	**29,266**	17,037	40,049
Other operating income	4	**460**	-	**1,060**	-	-
Total revenue		**15,098**	9,578	**30,326**	17,037	40,049
Direct costs related to Paid revenue		**(1,924)**	(1,665)	**(4,883)**	(2,945)	(7,209)
Personnel expenses		**(3,105)**	(1,480)	**(5,943)**	(2,480)	(6,113)
Depreciation and amortisation		**(890)**	(246)	**(1,461)**	(407)	(1,037)
Non-recurring (costs)/income		**(1,681)**	63	**(2,024)**	(915)	(2,381)
Other operating expenses		**(2,115)**	(1,176)	**(3,988)**	(2,037)	(4,663)
Total operating expenses		**(9,715)**	(4,504)	**(18,299)**	(8,784)	(21,403)
Operating profit		**5,383**	5,074	**12,027**	8,253	18,646
Interest payable on borrowings		**(1,006)**	-	**(1,856)**	-	(1,081)
Other losses on financial liability at fair value through profit or loss		**106**	-	**(769)**	-	(500)
Finance costs		**(574)**	(201)	**(1,013)**	-	-
Finance income		**1,892**	-	**2,053**	444	444
Profit before tax		**5,801**	4,873	**10,442**	8,697	17,509
Tax expense		**(494)**	(287)	**(812)**	(535)	(1,367)
Profit for the period / year		**5,307**	4,586	**9,630**	8,162	16,142
Other comprehensive income						
Currency translation differences		**75**	(4)	**160**	(23)	(79)
Profit for the period / year - total comprehensive income		**5,382**	4,582	**9,790**	8,139	16,063
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 continuing operations		**0.102**	0.089	**0.186**	0.164	0.319
From profit for the period / year		**0.102**	0.089	**0.186**	0.164	0.319
Diluted earnings per share						
From continuing operations		**0.100**	0.089	**0.182**	0.163	0.313
From profit for the period / year		**0.100**	0.089	**0.182**	0.163	0.313

The notes on pages 19 to 22 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet (unaudited)

Group	Note	30 Jun 2017	30 Jun 2016	31 Dec 2016
		€ '000	€ '000	€ '000
ASSETS				
Non-current assets				
Goodwill		**7,333**	7,333	7,333
Other intangible assets	**5**	**161,422**	46,488	71,168
Property, plant and equipment		**1,198**	571	766
Other investments	**6**	**589**	-	-
Total non-current assets		**170,542**	54,392	79,267
Current assets				
Trade and other receivables		**13,099**	8,091	11,765
Current tax asset		**1,685**	-	-
Deferred tax assets		**1,017**	1,133	1,397
Cash and cash equivalents		**50,713**	5,418	44,713
Total current assets		**66,514**	14,642	57,875
Total assets		**237,056**	69,034	137,142
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		**78**	77	77
Share premium		**30,256**	25,741	25,741
Other reserves		**5,782**	5,351	5,378
Retained earnings		**32,269**	14,659	22,639
Total equity		**68,385**	45,828	53,835
Liabilities				
Non-current liabilities				
Borrowings	**7**	**102,214**	-	50,500
Amounts committed on acquisition	**8**	**14,476**	4,548	6,195
Deferred tax liabilities		**3,490**	1,397	2,171
Total non-current liabilities		**120,180**	5,945	58,866
Current liabilities				
Amounts committed on acquisition	**8**	**45,307**	14,268	20,741
Trade and other payables		**2,508**	1,314	1,739
Current tax liabilities		**676**	1,679	1,961
Total current liabilities		**48,491**	17,261	24,441
Total liabilities		**168,671**	23,206	83,307
Total equity and liabilities		**237,056**	69,034	137,142

The notes on pages 19 to 22 are an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements on pages 13 to 22 were authorised for issue by the Board on 18 August 2017 and were signed on its behalf by:

Kathryn Moore Baker
Chairperson

Per Anders Henrik Persson Ekdahl
Director

Condensed consolidated interim statements of changes in equity (unaudited)

Group	Attributable to owners of the parent				
	Share capital € '000	Other reserves € '000	Share premium € '000	Retained earnings € '000	Total equity € '000
Balance at 1 January 2017	77	5,378	25,741	22,639	53,835
Comprehensive income					
Profit for the period	-	-	-	9,630	9,630
Foreign currency translation movement	-	160	-	-	160
Total comprehensive income for the period	-	160	-	9,630	9,790
Transactions with owners					
Issue of share capital	1	-	4,515	-	4,516
Equity-settled share-based payments	-	244	-	-	244
Total transactions with owners	1	244	4,515	-	4,760
Balance at 30 June 2017	**78**	**5,782**	**30,256**	**32,269**	**68,385**

The notes on pages 19 to 22 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of changes in equity (unaudited) continued

Group	Share capital € '000	Other reserves € '000	Share premium € '000	Retained earnings € '000	Total equity € '000
	Attributable to owners of the parent				
Balance at 1 January 2016	66	5,073	1,000	6,497	12,636
Comprehensive income					
Profit for the period	-	-	-	8,162	8,162
Foreign currency translation movement	-	(23)	-	-	(23)
Total comprehensive income for the period	-	(23)	-	8,162	8,139
Transactions with owners					
Issue of share capital	11	-	24,741	-	24,752
Equity-settled share-based payments	-	65	-	-	65
Capital contribution	-	236	-	-	236
Total transactions with owners	11	301	24,741	-	25,053
Balance at 30 June 2016	77	5,351	25,741	14,659	45,828

The notes on pages 19 to 22 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of changes in equity (unaudited) continued

Group	Attributable to owners of the parent				
	Share capital € '000	Other reserves € '000	Share premium € '000	Retained earnings € '000	Total equity € '000
Balance at 1 January 2016	66	5,073	1,000	6,497	12,636
Comprehensive income					
Profit for the period	-	-	-	16,142	16,142
Foreign currency translation movement	-	(79)	-	-	(79)
Total comprehensive income for the period	-	(79)	-	16,142	16,063
Transactions with owners					
Issue of share capital	11	-	24,741	-	24,752
Equity-settled share-based payments	-	148	-	-	148
Capital contribution	-	236	-	-	236
Total transactions with owners	11	384	24,741	-	25,136
Balance at 31 December 2016	**77**	**5,378**	**25,741**	**22,639**	**53,835**

The notes on pages 19 to 22 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of cash flows (unaudited)

Group	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
	€ '000	€ '000	**€ '000**	€ '000	**€ '000**
Cash flows from operating activities					
Profit before tax including discontinued operations	**5,801**	4,873	**10,442**	8,697	17,509
Adjustments for:					
Depreciation and amortisation	**890**	246	**1,461**	407	1,037
Impairment of receivables	**-**	-	**-**	89	89
Unrealised exchange differences	**(2,262)**	201	**(2,522)**	(444)	(553)
Interest expense	**1,583**	-	**2,872**	-	1,015
Net (gains)/losses on financial liability at fair value through profit or loss	**(106)**	-	**769**	-	500
Share based payments	**83**	29	**165**	65	148
	5,989	5,349	**13,187**	8,814	19,745
Taxation paid	**(1,430)**	(811)	**(1,430)**	(811)	(811)
Changes in:					
Trade and other receivables	**(819)**	(2,595)	**(2,199)**	(3,885)	(7,560)
Trade and other payables	**(1,236)**	(1,100)	**(3,081)**	(972)	(306)
Net cash generated from operating activities	**2,504**	843	**6,477**	3,146	11,068
Cash flows used in investing activities					
Acquisition of property, plant and equipment	**(334)**	(52)	**(617)**	(157)	(408)
Acquisition of intangible assets	**(24,432)**	(15,754)	**(48,387)**	(23,945)	(40,563)
Acquisition of other investments	**-**	-	**(589)**	-	-
Net cash used in investing activities	**(24,766)**	(15,806)	**(49,593)**	(24,102)	(40,971)
Cash flows from financing activities					
Net proceeds received on issuance of share capital	**-**	-	**-**	24,208	24,208
Net proceeds on issue of bond	**50,045**	-	**50,045**	-	49,100
Interest paid	**(874)**	-	**(1,725)**	-	(873)
Net cash generated from financing activities	**49,171**	-	**48,320**	24,208	72,435
Net movement in cash and cash equivalents	**26,909**	(14,963)	**5,204**	3,252	42,532
Cash and cash equivalents at beginning of period / year	**23,041**	20,363	**44,713**	1,529	1,529
Currency translation differences	**763**	18	**796**	637	652
Cash and cash equivalents at end of period	**50,713**	5,418	**50,713**	5,418	44,713

The notes on pages 19 to 22 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. GENERAL INFORMATION

The Parent Company is a limited liability company and is incorporated in Malta. The Group engages in online and affiliate marketing.

The Group attracts users through online marketing techniques and subsequently seeks to channel high value “traffic” (i.e. users) to online and mobile businesses who, in turn, convert such traffic into paying customers. In return, the Group receives either: (i) a share of the revenue generated by such users, (ii) a fee generated per user acquired, (iii) other fixed fees or (iv) a hybrid of any of these three models (refer to Note 3).

2. ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Group’s condensed consolidated interim financial statements are consistent with those presented in the Annual Report for the year ended 31 December 2016. Detailed information about the Group’s accounting policies can be found in the Annual Report for 2016 (Note 2), which is available on www.catenamedia.com. The Parent Company applies the same accounting principles as the Group.

2.1 Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim financial reporting”. They have been prepared under the historical cost convention, as modified by the fair valuation of financial liabilities measured at fair value through profit or loss.

This interim report has not been audited or reviewed.

These condensed consolidated financial statements incorporate the results of Catena Operations Limited and its subsidiaries Molgan Limited, Catena Media UK Limited, Catena Media doo Beograd and Catena Media US Inc.

Standards, interpretations and amendments to published standards that are not yet effective

A number of new standards, interpretations and changes to published standards will come into force for fiscal years beginning after January 1, 2018 and have not been applied in the preparation of this financial report. None of these are expected to have a material impact on the Group's financial statements during current or future reporting periods.

The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Group’s directors are of the opinion that, with the possible exception of IFRS 9, IFRS 15 and IFRS 16, there are no requirements that will have a possible significant impact on the Group’s financial statements in the period of initial application.

IFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2015. Amongst others, it replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. There is a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. The Group has decided not to adopt IFRS 9 until it becomes mandatory. The Group is considering the implications of the standard and its impact on the Group’s financial results and position.

IFRS 15, ‘Revenue from contracts with customers’ deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. This standard replaces IAS 18 ‘Revenue’ which covers revenue arising from the sale of goods and the rendering of services, IAS 11 ‘Construction contracts’ and related interpretations. The standard permits either a full retrospective or a modified retrospective approach for the adoption. It is effective for first interim periods with annual reporting periods beginning on or after 1 January 2018. The process of evaluating the effects of the introduction of this standard are underway and we expect to conclude our assessment during Q3 2017.

Notes to the condensed consolidated interim financial statements - continued

2. ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Under IFRS 16, 'Leases', a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts; an optional exemption is available for certain short-term leases and leases of low-value assets. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted, subject to endorsement by the EU, and subject to the Group also adopting IFRS 15. An assessment of the standard is currently underway and the preliminary conclusion is that the long-term office leases entered into by subsidiaries of the Group will fall within the remits of this standard.

3. REVENUE

The revenue of the Group for the second quarter of 2017 and the first six months of 2017 is further analysed as follows:

Group	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan - Dec 2016
	€ '000	€ '000	**€ '000**	€ '000	€ '000
Search revenue	**11,528**	7,273	**22,465**	12,761	29,423
Paid revenue	**3,110**	2,305	**6,801**	4,276	10,626
Total revenue	**14,638**	9,578	**29,266**	17,037	40,049

4. OTHER OPERATING INCOME

Other operating income of EUR 0.46 million (nil) relates to a one-off compensation for loss of revenue received from a partner in relation to PPC traffic. During the first six months of 2017, other operating income amounted to EUR 1.06 million (nil).

5. OTHER INTANGIBLE ASSETS

The Group acquired a number of websites, domains and player databases. Additions during the second quarter of 2017 amounted to EUR 51.10 million (22.15), a portion of which has been allocated to player databases and is being amortised over three years. These additions mainly comprised the affiliate assets acquired, Online Media, New Casinos.com and Bettingpro.com. Also during the second quarter, an adjustment to previously recognised contingent considerations of EUR 11.36 million (nil) was reflected as a result of changes in estimates of the likely outcome of a contingent event. Further, development of websites and other applications amounted to EUR 1.07 million (nil).

6. OTHER INVESTMENTS

Other investments include available-for-sale financial assets. The fair value of the available-for-sale financial assets, which at reporting date amounted to EUR 0.59 million (nil), was determined by reference to the cost of acquiring the shares. The directors considered that there were no significant changes in the fair value of the shares in the intervening period between the acquisition date and the reporting date. The fair value has been categorised within the IFRS 13 fair value hierarchy as Level 3.

Notes to the condensed consolidated interim financial statements

7. BORROWINGS

Borrowings as at the end of the reporting period comprise a three-year secured bond loan amounting to EUR 100 million (nil), which matures in September 2019. This balance is comprised of an amount of EUR 50 million which was issued on 16 September 2016 and a tap issue of EUR 50 million issued on 14 June 2017. The bond was listed on NASDAQ Stockholm on 2 November 2016 at a nominal value of €100.

The bond loan is secured by the shares of the Parent Company in its material operating subsidiaries and any other material subsidiaries that may be owned directly or indirectly from time to time by the Parent Company. The debt securities bear a floating rate coupon of Euribor 3m + 6.75 percent. Euribor 3m is subject to a floor of 0 percent; additionally, the bond contains an early redemption option with the redemption price set in accordance with a mechanism as set out in the prospectus. These embedded derivatives may significantly modify the resulting cashflows.

The fair value of the bond, which at the end of the reporting period amounted to EUR 102.25 million, was determined by reference to the price quoted on NASDAQ Stockholm website. Accordingly, the bond's fair value is categorised within the IFRS 13 fair value hierarchy as Level 1.

8. AMOUNTS COMMITTED ON ACQUISITION

Amounts committed on acquisitions consist of contractual obligations upon 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.

These 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, at 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 Company's borrowing rate. The notional interest charge on the contingent considerations is included in 'Finance costs', net of foreign exchange differences.

Expectations of cash out flows are made 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. Amounts committed on acquisition of EUR 32.95 million (12.03) relate to contingent considerations, of which EUR 18.47 million (7.38) is due within twelve months from the end of the quarter. The contingent considerations are net of a fair value adjustment of EUR 4.37 million (nil), of which EUR 1.44 million (nil) is attributable to amounts committed on acquisition due within twelve months from the end of the quarter. The corresponding adjustment impacts the value of the assets acquired as recognized in the statement of financial position.

Furthermore, amounts committed on acquisition relating to contingent considerations have been adjusted by an amount of EUR 11.36 million to reflect a change in estimates (refer to Note 5).

The maximum potential undiscounted amount that the Group may be required to settle under such contingent consideration arrangements is EUR 89.91 million

9. RELATED PARTY TRANSACTIONS

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.

The following transactions were carried out with related parties:

Other related party transactions	**Apr-Jun 2017**	Apr-Jun 2016	**Jan-Jun 2017**	Jan-Jun 2016	**Jan - Dec 2016**
	€ '000	€ '000	**€ '000**	€ '000	€ '000
Purchases of services:					
Entities with significant shareholding *	**607**	378	**1,287**	617	1,369

* *Purchases of services from entities with significant shareholding comprise consultancy, advisory and success fees payable to Optimizer Invest Limited. Fees relating to acquisitions reflect the amount paid during the periods and not the maximum amount that could be due in terms of contractual agreements in place which are dependent on the achievement of target earnings.*

Condensed Parent Company interim statements of income and other comprehensive income

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Jan-Dec 2016
	€ '000	€ '000	**€ '000**	€ '000	€ '000
Investment and related income	**-**	-	**4,746**	-	-
Personnel expenses	**(111)**	(29)	**(167)**	(51)	(147)
Non-recurring expenses	**(901)**	-	**(908)**	(18)	(922)
Other operating expenses	**(60)**	(25)	**(112)**	(31)	(127)
Other operating income	**20**	-	**20**	-	-
Total operating expenses	**(1,072)**	(54)	**(1,167)**	(100)	(1,196)
Operating (loss)/profit	**(1,052)**	(54)	**3,579**	(100)	(1,196)
Interest payable on borrowings	**(1,007)**	-	**(1,857)**	-	(1,015)
Other gains/(losses) on financial liability at fair value through profit or loss	**106**	-	**(769)**	-	(500)
Finance costs	**(65)**	(170)	**(193)**	-	-
Finance income	**-**	-	**-**	489	539
(Loss)/Profit before tax	**(2,018)**	(224)	**760**	389	(2,172)
Tax expense	**-**	-	**(1,266)**	-	-
(Loss)/Profit for the period - total comprehensive income	**(2,018)**	(224)	**(506)**	389	(2,172)

Condensed Parent Company interim balance sheet

	30-Jun 2017	30-Jun 2016	31-Dec 2016
	€ '000	€ '000	€ '000
ASSETS			
Non-current assets			
Investment in subsidiaries	**380**	132	214
Current assets			
Trade and other receivables	**84,129**	22,819	44,007
Cash and cash equivalents	**48,038**	4,750	31,648
Total current assets	**132,167**	27,569	75,655
Total assets	**132,547**	27,701	75,869
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**78**	77	77
Share premium	**30,787**	26,271	26,271
Other reserves	**702**	375	457
(Accumulated losses)/Retained earnings	**(2,102)**	965	(1,596)
Total equity	**29,465**	27,688	25,209
Liabilities			
Non-current liabilities			
Borrowings	**102,250**	-	50,500
Total non-current liabilities	**102,250**	-	50,500
Current liabilities			
Trade and other payables	**832**	13	160
Total liabilities	**103,082**	13	50,660
Total equity and liabilities	**132,547**	27,701	75,869

Definitions of Alternative Performance Measures

Unless defined otherwise in this report, the terms below have the following meaning:

ATERNATIVE KEY RATIO	DESCRIPTION	SCOPE
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 interim report can monitor business growth
OPERATINING PROFIT	Profit before financial items and taxes	The Group reports this key ratio so that users of the interim report can monitor the earnings trend of the Group
OPERATING MARGIN	Operating profit as a percentage of revenue.	The Group reports these key figures so that users of the interim report can monitor the earnings trend for the Group
ADJUSTED OPERATING PROFIT	Operating profit adjusted for non-recurring expenses	The Group reports this key ratio so that users of the interim report can monitor the underlying operating profit adjusted for non-recurring costs, which results in a more comparable profit measure over time
ADJUSTED OPERATING MARGIN	Operating margin adjusted for non-recurring expenses.	The Group reports this key ratio so that users of the interim report to monitor the underlying operating margin excluding non-recurring items, which gives a better understanding of performance than non-adjusted operating margin, and results in a more comparable profit measure over time.
EBITDA	Operating profit before depreciation and amortisation.	The Group reports this key ratio so that users of the interim 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 interim report can monitor the value creation generated by the operation. This is also used by investors, analysts and the Group's management to evaluate the Group's operational profitability
ADJUSTED EBITDA	EBITDA adjusted for non-recurring expenses	The Group reports this key ratio because it provides a better understanding of the operating profit than non-adjusted EBITDA, which also provides a more comparable financial measure over time.
ADJUSTED EBITDA MARGIN	Adjusted EBITDA as a percentage of Revenue.	The Group reports this key ratio to show the underlying EBITDA margin before non-recurring costs, which provides a better understanding of EBITDA margin than non-adjusted EBITDA margin, which also provides a more comparable financial measure over time.

ATERNATIVE KEY RATIO	DESCRIPTION	SCOPE
QUICK RATIO	Total of current assets as a percentage of current liabilities adjusted for non-cash items.	The Group reports this key ratio so that the users of the interim report can assess the Group's financial position and ability to settle its liabilities when they fall due.
NDC (NEW DEPOSITING CUSTOMERS)	A new customer placing a first deposit on a client's website	The Group reports these key figures since they are the driving key to measure revenues and long-term organic growth.
EQUITY RATIO	Equity as a percentage of total assets	The Group reports theses key figures so that the users of the interim report can assess the Group's capital structure and financial risk.
AVERAGE SHAREHOLDERS' EQUITY LAST 12 MONTHS	Equity at the beginning of the period plus equity at each month end, divided by 13.	The Group reports these key figures since they are necessary to calculate the return on equity.
RETURN ON EQUITY ROLLING 12 MONTHS	The period's profit/loss (rolling twelve months) in relation to average shareholder equity for the last 12 months.	The Group reports this key ratio since it provides information on the return on capital invested and earned by the Group
NET INTEREST BEARING LIABILITIES	Interest bearing liabilities less financial assets and cash and cash equivalents; a negative figure means that the Group has a net cash position.	The Group reports this key ratio so that the users of the interim report can evaluate the Group's financial position and ability to settle its liabilities when they fall due
NET INTEREST BEARING LIABILITIES/ EBITDA (ROLLING 12 MONTHS	Net interest bearing liabilities divided by EBITDA (rolling 12 months).	The Group reports these key figures so that the users of the interim report can evaluate the Group 's financial position and the possibility of dividend and possible loan
DEBT – TO – EQUITY RATIO	Debt divided by equity	The Group reports this key ratio so that the users of the interim report can evaluate the Group's financial position, the ability to distribute dividends and increasing borrowings
EQUITY PER SHARE BEFORE DILUTION	Equity attributed to shareholders of the Parent Company divided into the weighted average number of issued shares outstanding at the end of the period	The Group reports the key figures so that the users of the interim report can to assess capital growth per share
EQUITY PER SHARE AFTER DILUTION	Equity attributed to shareholders of the Parent Company divided into the weighted average number of issued shares outstanding at the end of the period as well as shares that may arise.	The Group reports the key figures so that the users of the interim report can assess capital growth per share

Reconciliation of alternative performance measures

Calculation of operating profit margin

(Amount in TEUR, unless other stated)	Apr–Jun 2017	Apr–Jun 2016	Jan–Jun 2017	Jan–Jun 2016	Jan–Dec 2016
Operating profit	5,383	5,074	12,027	8,253	18,646
Revenues	15,098	9,578	30,326	17,037	40,049
Operating profit margin, %	**36%**	**53%**	**40 %**	**48 %**	**47 %**

Calculation of adjusted operating profit

(Amount in TEUR, unless other stated)	Apr–Jun 2017	Apr–Jun 2016	Jan–Jun 2017	Jan–Jun 2016	Jan–Dec 2016
Operating profit	5,383	5,074	12,027	8,253	18,646
Adjustments:					
Non-recurring costs	1,681	-63	2,024	915	2,381
Adjusted operating profit	**7,064**	**5,011**	**14,051**	**9,168**	**21,027**

Calculation of adjusted operating profit margin

(Amount in TEUR, unless other stated)	Apr–Jun 2017	Apr–Jun 2016	Jan–Jun 2017	Jan–Jun 2016	Jan–Dec 2016
Operating profit	5,383	5,074	12,027	8,253	18,646
Adjustments:					
Non-recurring costs	1,681	-63	2,024	915	2,381
Adjusted operating profit	**7,064**	**5,011**	**14,051**	**9,168**	**21,027**
Revenues	15,098	9,578	30,326	17,037	40,049
Adjusted operating profit margin, %	**47%**	**52%**	**46%**	**54 %**	**53%**

Calculation of EBITDA

(Amount in TEUR, unless other stated)	Apr–Jun 2017	Apr–Jun 2016	Jan–Jun 2017	Jan–Jun 2016	Jan–Dec 2016
Operating profit	5,383	5,074	12,027	8,253	18,646
Depreciation and amortisation	890	246	1,461	407	1,037
EBITDA	**6,273**	**5,320**	**13,488**	**8,660**	**19,683**

Calculation of EBITDA margin

(Amount in TEUR, unless other stated)	Apr–Jun 2017	Apr–Jun 2016	Jan–Jun 2017	Jan–Jun 2016	Jan–Dec 2016
Operating profit	5,383	5,074	12,027	8,253	18,646
Depreciation and amortisation	890	246	1,461	407	1,037
EBITDA	**6,273**	**5,320**	**13,488**	**8,660**	**19,683**
Revenues	15,098	9,578	30,326	17,037	40,049
EBITDA margin	**42%**	**56%**	**44%**	**51%**	**49%**

Calculation of adjusted EBITDA

(Amount in TEUR, unless other stated)	Apr–Jun 2017	Apr–Jun 2016	Jan–Jun 2017	Jan–Jun 2016	Jan–Dec 2016
Operating profit	5,383	5,074	12,027	8,253	18,646
Depreciation and amortisation	890	246	1,461	407	1,037
EBITDA	**6,273**	**5,320**	**13,488**	**8,660**	**19,683**
Adjustment:					
Non-recurring costs	1,681	-63	2,024	915	2,381
Adjusted EBITDA	**7,954**	**5,257**	**15,512**	**9,575**	**22,064**

Reconciliation of alternative performance measures - continued

Calculation of adjusted EBITDA margin

(Amount in TEUR, unless other stated)	Apr–Jun 2017	Apr–Jun 2016	Jan–Jun 2017	Jan–Jun 2016	Jan–Dec 2016
Operating profit	5,383	5,074	12,027	8,253	18,646
Depreciation and amortisation	890	246	1,461	407	1,037
EBITDA	**6,273**	**5,320**	**13,488**	**8,660**	**19,683**
Adjustments:					
Non-recurring costs	1,681	-63	2,024	915	2,381
Adjusted EBITDA	**7,954**	**5,257**	**15,512**	**9,574**	**22,064**
Revenues	15,098	9,578	30,326	17,037	40,049
Adjusted EBITDA-margin, %	**53%**	**55%**	**51%**	**56%**	**55%**

Calculation of return on equity, rolling 12 months

(Amount in TEUR, unless other stated)	LTM 30 Jun 2017	LTM 30 Jun 2016	LTM 31 Dec 2016
Profit, rolling 12 months	17,617	13,488	16,142
Average shareholders' equity, rolling 12 months	56,184	22,876	41,800
Return on equity, rolling 12 months	**31%**	**59%**	**39%**

Calculation of quick ratio

(Amount in TEUR, unless other stated)	30 Jun 2017	30 Jun 2016	31 Dec 2016
Current assets	66,514	14,642	57,875
Adjustment:			
Deferred tax assets	-1,017	-1,133	-1,397
Other non-cash items	-531	–	-531
Taxation recoverable	-1,685	–	–
Current assets, adjusted for non-cash items	**63,281**	**13,509**	**55 947**
Current liabilities	**48,490**	**17,261**	**24,441**
Adjustment:			
Current tax liabilities	-676	-1,679	-1,961
Current liabilities, adjusted for non-cash items	**47,814**	**15,582**	**22,480**
Quick ratio (%)	**132%**	**87%**	**249%**

Calculation of interest-bearing net debt

(Amount in TEUR, unless other stated)	30 Jun 2017	30 Jun 2016	31 Dec 2016
Interest-bearing debt	100,000	–	50,000
Cash and cash equivalents	-50,713	-5,418	-44,713
Interest-bearing net debt	**49,287**	**-5,418**	**5,287**

Calculation of interest-bearing net debt/EBITDA, rolling 12 months

(Amount in TEUR, unless other stated)	30 Jun 2017	30 Jun 2016	31 Dec 2016
Interest-bearing net debt	49,287	-5,418	5,287
EBITDA, rolling 12 months	24,509	14,348	19,683
Interest-bearing net debt/EBITDA, rolling 12 months	**2.01**	**-0.38**	**0.29**

Reconciliation of alternative performance measures - continued

Calculation of shareholders' equity per ordinary share

(Amount in TEUR, unless other stated)	Apr–Jun 2017	Apr–Jun 2016	Jan–Jun 2017	Jan–Jun 2016	Jan–Dec 2016
Total equity	68,385	45,828	68,385	45,828	53,835
Weighted average number of ordinary shares	51,907	51,445	51,841	49,767	50,611
Number of ordinary shares that may be issued at exercise of warrants and share options	1,131	176	1,128	176	953
Average number of ordinary shares + number of ordinary shares that may be issued at exercise of warrants and share options	53,038	51,621	52,969	49,943	51,564
Equity per ordinary share before dilution	**1.317**	**0.891**	**1.319**	**0.921**	**1.064**
Equity per ordinary share after dilution	**1.289**	**0.888**	**1.291**	**0.918**	**1.044**

Other definitions

Unless defined otherwise in this report, the terms below have the following meaning:

EARNINGS PER SHARE BEFORE DILUTION	Profit/loss for the period in relation to the average number of shares in issue over the period, before dilution from share options and warrants.
EARNINGS PER SHARE AFTER DILUTION	Profit/loss for the period in relation to the average number of shares in issue over the period, after dilution from share options and warrants.
RETURN ON EQUITY	The period's profit/loss (rolling twelve months) in relation to average shareholder equity for the last 12 months. This is a measure of capital returns that is commonly used by investors, analysts and management to evaluate the Group's ability to generate return on the capital provided by its shareholders.
SEARCH REVENUES	Revenue from SEO related service offering
PAID REVENUE	Revenue from pay-per-click (PPC) media channels
GROUP / CATENA MEDIA	The Parent Company and its subsidiaries
PARENT COMPANY	Catena Media plc, a Company registered under the laws of Malta with registration number C 70858
CATENA MEDIA UK LIMITED (PREVIOUSLY KNOWN AS RCM)	Catena Media UK Limited, a company incorporated in the UK under the laws of England and Wales with registration number 07381409
PPC 'PAY PER CLICK'	Pay-per-click is a method for marketing on the internet that entails purchasing search words for a Group website from a search engine (e.g. Google). When the user searches and uses this word, the advertisers' site is listed in the search result.
SEO 'SEARCH ENGINE OPTIMISATION'	Search engine optimisation relates to the adaption of the Group website with content, as well as making the website marketed in a way that results in the site being displayed amongst the top search results.
EQUITY PER SHARE (BEFORE DILUTION)	Equity attributed to shareholders of the Parent Company divided into the weighted average number of issued shares outstanding at the end of the period
EQUITY PER SHARE (DILUTED)	Equity attributed to shareholders of the Parent Company divided into the weighted average number of shares, including options and warrants outstanding at the end of the period.
EFFECTIVE TAX RATE	Effective tax rate is the Group's total tax expense in relation to the Group's profit before tax.
NON-RECURRING EXPENSES	Non-recurring expenses are costs that do not relate to the ongoing operations of the business. Examples include bond issue costs, IPO-costs, including costs associated with the planned change in the listing on NASDAQ Stockholm, as well as restructuring costs.