catenamedia

INTERIM REPORT THIRD QUARTER 2020

Interim Report January – September 2020
Updated financial targets and reviewed strategic direction

JULY – SEPTEMBER 2020
(COMPARED WITH JULY – SEPTEMBER 2019)

- Operating revenue amounted to EUR 24.9m (26.4), resulting in a decrease of 6 percent.
- Organic search revenue amounted to EUR 22.5m (23.1m) resulting in a decrease of 3 percent.
- New Depositing Customers (NDCs) totalled 94,710 (99,435), a decrease of 5 percent.
- Adjusted EBITDA increased by 4 percent and totalled EUR 12.0m (11.5), corresponding to an adjusted EBITDA margin of 48 percent (44).
- EBITDA, including a reversal of exceptional costs of EUR -0.2m (0.1m), increased by 7 percent and totalled EUR 12.2m (11.4), corresponding to an EBITDA margin of 49 percent (43).
- Net cash generated from operating activities decreased by 9 percent and amounted to EUR 8.5m (9.3).
- Earnings per share amounted to EUR 0.05 (0.20) before dilution and EUR 0.03 (0.19) after dilution.
- Cash and cash equivalents amounted to EUR 45.4m (11.7) on 30 September, following the EUR 49.5m partial prepayment in relation to the outstanding bonds during July.
- Net interest-bearing liabilities (NIBL) amounted to EUR 67.4m (150.8) on 30 September, resulting in a leverage ratio (NIBL/ Adjusted EBITDA) of 1.32 (3.42).

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

- Operating revenue amounted to EUR 79.4m (76.3) resulting in an increase of 4 percent.
- Organic search revenue amounted to EUR 72.3m (64.9m) resulting in an increase of 11 percent.
- New Depositing Customers (NDCs) totalled 318,565 (323,423), a decrease of 2 percent.
- Adjusted EBITDA increased by 23 percent and totalled EUR 39.7m (32.2), corresponding to an adjusted EBITDA margin of 50 percent (42).
- EBITDA, including exceptional costs of EUR 2.0m (0.2), increased by 18 percent and totalled EUR 37.7m (32.0), corresponding to an EBITDA margin of 47 percent (42).
- Net cash generated from operating activities increased by 28 percent and amounted to EUR 37.1m (29.0).
- Earnings per share amounted to EUR 0.08 (0.36) before dilution and EUR 0.05 (0.34) after dilution.
- Cash and cash equivalents amounted to EUR 45.4m (11.7) on 30 September, following the EUR 49.5m partial prepayment in relation to the outstanding bonds during July.
- Net interest-bearing liabilities (NIBL) amounted to EUR 67.4m (150.8) on 30 September, resulting in a leverage ratio (NIBL/ Adjusted EBITDA) of 1.32 (3.42).

FINANCIAL TARGETS AND REVIEWED STRATEGIC DIRECTION FOR THE PERIOD 2021-2025

Financial Targets:

- Profitable double-digit organic growth annually over the period, with the US being the core growth driver.
- Operate on a net interest-bearing debt/adjusted EBITDA interval of 0-1.75.

Strategic Direction:

- Net cash generated from operating activities estimates to be in the interval of EUR 300-370m during the period and will be used for dividends, and/or share buy-back programmes, as well as strategic M&As.
- The Board's ambition is to propose a quarterly based dividend of SEK 0.65-0.75 per share and quarter starting during the second half of 2021.

**Please find more information regarding reviewed strategic direction on page 8.*

> "Continued strong performance in the US and the recent strategic review reveal a bright future."
>
> Per Hellberg / CEO

JULY – SEP 2020
-6%
REVENUE GROWTH YOY
EUR 24.9m

JULY – SEP 2020
-3%
ORGANIC SEARCH REVENUE GROWTH YOY
EUR 22.5m

JULY – SEP 2020
+4%
ADJUSTED EBITDA GROWTH YOY
EUR 12.0m

JULY – SEP 2020
48%
ADJUSTED EBITDA MARGIN

30 SEPTEMBER 2020
67.4
EURm
NET INTEREST-BEARING LIABILITIES (NIBL)

30 SEPTEMBER 2020
1.32
NIBL/ADJUSTED EBITDA RATIO

Q3 KEY TAKEAWAYS

- Increased adjusted EBITDA by 4% to EUR 12.0m.
- Total revenues decreased by 6% with organic search revenues decreasing by 3% as reduced PPC spend only impacted paid revenues. New Depositing Customers (NDCs) decreased by 5%.
- The Sports segment has been impacted by Covid-19 and started to grow back during the quarter as sport events returned.
- The European legacy Casino segment has experienced negative impacts from the Google update in May, particularly in Germany.
- The Casino businesses in Japan and AskGamblers have both been showing strong growth.
- The US iGaming business has been developing well with double-digit growth and represented 30% of the Company's total revenues during the third quarter.
- Continued high investments into the US market to maintain our dominant No.1 position.
- The business and organisation successfully adapted to continuous challenges from Covid-19 impacts around the globe.

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 the last page 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 **https://www.catenamedia.com/investors/key-performance-indicators-definitions/**

	Jul–Sep 2020	Jul–Sep 2019	**Jan–Sep 2020**	Jan–Sep 2019	Jan–Dec 2019
Financial measures defined by IFRS					
Revenues (EUR '000)	**24,877**	26,421	**79,356**	76,262	102,817
Earnings per share before dilution (EUR)	**0.05**	0.20	**0.08**	0.36	(0.18)
Earnings per share after dilution (EUR)	**0.03**	0.19	**0.05**	0.34	(0.17)
Weighted average number of outstanding shares at period's end before dilution (EUR '000)	**64,771**	58,195	**62,291**	57,208	57,556
Weighted average number of outstanding shares at period's end after dilution (EUR '000)	**105,856**	61,273	**101,886**	60,286	60,676
Alternative Performance Measures					
EBITDA (EUR '000)	**12,154**	11,398	**37,655**	31,983	40,506
EBITDA margin (%)	**49**	43	**47**	42	39
Adjusted EBITDA (EUR '000)	**12,011**	11,505	**39,710**	32,194	43,471
Adjusted EBITDA margin (%)*	**48**	44	**50**	42	42
Effective tax rate (%)	**19**	7	**23**	6	(2)
New depositing customers ('000)	**95**	99	**319**	323	437
Average shareholders' equity, last 12 months (EUR '000)	**187,862**	149,724	**187,862**	149,724	158,626
Return on equity, rolling 12 months (%)	**(14)**	22	**(14)**	22	(7)
Equity-to-assets ratio (%)	**65**	48	**65**	48	44
Quick ratio (%)	**303**	102	**303**	102	123
Net interest-bearing liabilities (NIBL) (EUR '000)	**67,373**	150,802	**67,373**	150,802	150,214
NIBL/EBITDA multiple	**1.46**	3.43	**1.46**	3.43	3.71
NIBL/adjusted EBITDA multiple	**1.32**	3.42	**1.32**	3.42	3.46
NIBL (including hybrid capital securities)(€'000)	**128,235**	150,802	**128,235**	150,802	150,214
NIBL (including hybrid capital securities)/EBITDA multiple	**2.78**	3.43	**2.78**	3.43	3.71
NIBL (including hybrid capital securities)/Adjusted EBITDA multiple	**2.52**	3.42	**2.52**	3.42	3.46
Debt/equity ratio multiple	**0.53**	1.08	**0.53**	1.08	1.26
Equity per share before dilution (EUR)	**3.63**	3.04	**3.77**	3.09	2.55
Equity per share after dilution (EUR)	**2.22**	2.89	**2.31**	2.93	2.42
Average number of employees	**400**	397	**397**	390	396
Employees at period-end/year end	**404**	402	**404**	402	404
Productivity ratio (EUR '000)	**62**	67	**200**	196	260
Adjusted EBITDA productivity ratio (EUR '000)	**30**	29	**100**	83	110

.*Adjusted for reorganisation costs of EUR 0.02m (0.1), credit facility and refinancing-related costs of EUR -0.2m (0.02) in Q3 2020. Adjustments for the period ended 30 September 2020 related to reorganisation costs of EUR 0.5m (0.1), credit facility and refinancing-related costs of EUR 1.6m (0.1) Adjustments for the year ended 31 December 2019 related to reorganisation costs of EUR 0.3m, credit facility costs of EUR 0.1m and loss allowances on trade receivables of EUR 2.7m.

CEO COMMENTS FOR THE THIRD QUARTER 2020

Continued strong performance in the US and the recent strategic review reveal a bright future

STRATEGIC REVIEW

This autumn, the board and management of Catena Media reviewed and updated our strategic directions and financial targets for 2021-2025. Before moving on to operational matters, let me briefly summarise some key points resulting from that strategic review:

First of all, we foresee a continued strong demand for iGaming affiliate services, with the US as our core revenue driver, supported by continued expansion into Latin America, Asia and certain central European markets. We will continue the restructuring of our European operations for increased market share and cost-efficiency. We see Sports increasing its share of our total business, which matches trends in the iGaming industry; we won't be making further investments into the Financial Services segment.

Regarding financial targets, our plans for double-digit growth and improved debt/equity ratios are unchanged. Additionally, and as part of our new strategy, we expect to use EUR 300-370m of net cash from operating activities for dividends, and/or share buy-back programmes, as well as strategic M&As.

A POSITIVE YEAR IN REVIEW

Our optimistic plans are reflected in our operational success stories. Take the US, for example, where we are the No. 1 iGaming affiliate; we see a potential for our US business to generate the same amount of revenue as the entire Catena Media group does today. But it's up to state legislators to decide when such potential is unlocked for us, so the timing is unpredictable. We will, however, intensify our investments in the US in order to ensure a continued dominant position in any state going live at any time. And we will probably not have to wait long for additional states to go live, so we foresee significant action already in 2021.

Catena Media is in much better operational shape than it was 12 months ago. While we experienced some short-term revenue disruptions in Q3, they came with increased profits, so they haven't changed our long-term focus on growth. Restructuring is underway to return our European business to growth and a new, more cost-efficient operation has been established. Gone are the high debt levels after successfully refinancing the company earlier this year, we are entering a new phase, which will mean room for manoeuvre in line with the new strategy.

THIRD QUARTER INCREASING ADJ. EBITDA DESPITE SHORT TERM REVENUE DECLINE

We managed to improve our adj. EBITDA by 4% compared to last year despite declining revenues and increased investments, as we are operating the company much more efficiently. Revenues began trending upward at the very end of the quarter, with the return of international sports and the NFL in particular.

Following the onset of the Covid-19 pandemic, several markets are still not showing the same levels of search volumes and traffic quality as last year. Improvements were however seen toward the end of the quarter. In our case, European Sports and Casino saw year-on-year declines, but these were compensated by positive results in the US and Japan. In Europe, while Germany had its challenges, Italy as well as AskGamblers performed strongly.

The Google update in May, followed by additional smaller updates, turned out to impact some sites more than initially predicted. This was especially the case in Germany, where both Sports and Casino traffic were negatively impacted. After vigorous interventions, including revisiting the content quality and structure with both internal and external expertise, we saw the traffic and performance from most of the impacted sites turning around from decline to growth by the end of the quarter, even though not yet back to previous levels.

SPORTS RECOVERING LATE IN THE QUARTER

Sports finally started to grow in Q3 but in a more complex manner, driven by the impacts of Covid-19 on event schedules. We experienced a healthy increase in NDCs, but revenue growth was slower, impacted in part by lower margins and increased operator bonuses to both new and current customers when the leagues restarted in mid-September.

Germany turned out below our expectations, mainly because Bundesliga matches were not scheduled until the last ten days of the quarter. In the US, the most important league for us, the NFL, only started at the end of the quarter, with no pre-season games, pushing our revenue growth to quite late in the quarter.

As a part of restructuring and improving our European Sports business offering, we launched Squawka Bet, a new and improved addition to our popular Squawka football brand.

CASINO SENSITIVE TO USER BEHAVIOUR

While the US, Japan and AskGamblers all performed better than last year, our European Casino business experienced a decline, as some brands were still adapting to the Google update in the spring, but also because of short-term changes in traffic trends and user behaviour. We could, however, see things starting to normalise by the end of the quarter.

US – MAINTAINING OUR PREMIER POSITION

As the No. 1 iGaming affiliate in the US, we experienced continued strong performance, even though the NFL started very late in the quarter. Multiple new states showed good early results, while Pennsylvania experienced a bit of a performance dip, which is what we also encountered in New Jersey the second year after launch. Illinois opened up online registration under a temporary order in the third quarter, which was a welcome surprise even if only very few operators were ready to go live on such short notice. The US iGaming business has been developing well with double-digit growth and represented 30% of the Company's total revenues during the third quarter.

FINANCIAL SERVICES BENEFITTING FROM IMPROVED EFFICIENCY

Financial Services showed stable performance with an improved margin YOY, due to several initiatives we took to improve efficiency.

REMOTE WORKING PROJECT FOR IMPROVING OPERATIONAL EFFICIENCY

As a result of Covid-19, the world is experiencing less flexibility in travelling and expatriation, which has led to a large proportion of employees working remotely. We foresee that this trend will continue for quite some time, so we have initiated several remote working initiatives to cope with this new situation, allowing us to get the best people onboard, regardless of where they reside. We are already operating our US business using a remote working model, which has turned out very successfully, and we will further utilise this setup to support our geographical expansion. We expect to see both improved output and cost-efficiencies as a result.

Another significant project we are running is restructuring our data and business intelligence operations to improve funnel management efficiency, with the help of AI and Machine Learning in the future. This to ensure the highest possible lifetime values both for us and our operators. To make this happen, we have brought a new management team onboard in R&D, BI and Project Management over the past six months to ensure considerably better execution quality.

SUMMARY

Given the current Covid-19 situation, we foresee an unpredictable market unfolding for quite some time. The upcoming German legislations taking effect in July 2021 is another issue, and we have already taken actions to mitigate it. Our focus, however, remains unchanged: Short-term disruptions do not impact our long-term strategy and growth potential.

Through our strategic review, we foresee significant mid-term and long-term growth opportunities, but the journey is likely going to be challenging, as the past eight months have already demonstrated. But we have also learned to adapt and adjust very rapidly to new market circumstances, which is exactly why we see great potential ahead of us. Because when change has become the new normal, adaptability is the key.

Per Hellberg, CEO

Our Segments

The third quarter of 2020 has been challenging. The global pandemic still casts a shadow over the world and our industry. Sports recovered somewhat, although far from the levels of any previous year. The Google update in late spring was implemented during changing online search patterns and challenged us to continue calibrating products to new conditions. Our Casino segment took a step back and decreased by 2 percent compared to last year. The Sports segment primarily due to the Covid-19 impact, decreased by 13 percent compared to last year. The Financial Services segment decreased by 3 percent compared to last year.

Casino

In the third quarter, the Casino segment represented 64 percent (EUR 16.0m) of total revenue and generated an adjusted EBITDA of EUR 9.9m, representing a margin of 62 percent.

ASKGAMBLERS MAINTAINS HIGH REVENUE LEVELS

AskGamblers, one of Catena Media's core brands, maintained revenues at a high level even though the traffic volume was slightly reduced. In July the brand reached its second-best month ever. The organic traffic as well as conversions showed a slightly positive trend and traffic has stabilised with higher player values compared to last year. During the period the team launched several site speed and performance improvements, resulting in an enhanced customer journey and significantly better user experience.

ASIA REMAINS STRONG

The Japaneese business is performing in line with expectations with a strong third quarter compared to last year, although discernibly changing player behaviour due to the pandemic impact. Casino online in Japan continuous to show strong growth, and the Japanese market remains lucrative and is evolving gradually. In line with expectations, we also see that new markets such as India will give us future opportunities.

US SOCIAL CASINO ABOVE EXPECTATIONS

Social casino has performed above expectations and casino continues to show strong annual growth, even with sports returning. West Virginia is growing steadily, as is Pennsylvania, and New Jersey continues to be a strong market, almost six years after launching. The quarter ended well.

EUROPEAN CASINO BRANDS

The Google update in May had a somewhat delayed negative impact on some of our European casino brands, resulting in revenue development this quarter below expectations. Strong countermeasures were taken and we saw the traffic and performance of the impacted sites turning around from decline to growth by the end of the quarter, although not yet back to previous levels.

Sports

In the third quarter, the Sports segment represented 30 percent (EUR 7.5m) of total revenue and generated an adjusted EBITDA of EUR 1.9m, with a margin of 26 percent.

UNUSUAL FOOTBALL SCHEDULES AND RESULTS

The third quarter from a football perspective was more complex than usual, driven by the impacts of Covid-19 on schedules. The Bundesliga in Germany ended in June and did not return until the end of the third quarter. There were also no games from the other three main European betting leagues (England, Italy, Spain) from August through late September.

The final 13 matches of the Champions League in August also proved to be disappointing betting events, with no English or Italian teams in the final four, and a predictable final result.

As the main leagues started, we saw increased volatility in pre-match betting, impacted by unusual football results in the Premier league – a record number of goals per game and a lack of draws. The increased number of televised games generated increased interest in live betting, stabilising margins initially, but at a lower level.

The quarter also saw growth in Sports NDCs – up 29% YOY – but revenue growth was slower, impacted in part by increased operator bonuses to both new and current customers as the leagues restarted in mid-September, plus normal monthly bonuses. The fourth quarter started strongly with average daily revenue well ahead of September figures.

ITALY SUCCESS STORY CONTINUES

Despite the limited number of Serie A matches in the period, revenue returned strongly and almost reached first-quarter levels, which were based on a full three months of football. We remain confident in our success as the brand leader.

GERMAN HEADWINDS AND LACK OF FOOTBALL

A lack of Bundesliga matches until the last ten days of the quarter, coupled with some of our German brands continuing to recover from the major Google update, impacted German performance.

UK RECOVERY SLOWER THAN ANTICIPATED

The UK was up significantly this quarter as sports returned, but a stronger performance by our racing brands was offset by slower growth when the Premier League returned, for the reasons outlined earlier. During this period, we also launched Squawka Bet, a new and improved addition to our popular Squawka football brand.

ADDITIONAL GROWTH IN OTHER MARKETS

We saw good growth in other markets, with Latin America, and Brazil in particular, seeing pleasing growth as their football leagues returned earlier than Europe's. We also commenced marketing in Romania, an attractive and growing European sports market.

RETURN OF SPORTS IN THE US

The third quarter continued last quarter's overall strong performance in the US, and Catena Media is growing market share in line with the development of the markets. In the third quarter we saw the return of sports with the NBA, NHL and MLB returning early in the quarter and the NFL starting in September, although the lack of NFL pre-season and college football delayed our revenues to the later part of the quarter.

Several new states are showing good early results, such as Colorado and Indiana experiencing their first NFL season start. Illinois suprisingly opened up online registration under a temporary order and in the third quarter we have seen large operators like DraftKings and FanDuel enter that market. All in all, Sports experienced a unique situation with all four sports running simultaneously for part of the quarter, benefitting total traffic. This quarter the US team launched AI content integrated across multiple sites to increase our volume and types of content. This is not intended to replace writers but to produce enough content variation to more sites, more effectively, allowing us to reach audiences in more states, by uniquely serving end users.

Our E-sport business continuous to grow and hit records in revenue and traffic for September. The product is still small but growing as we find good traction.

Financial Services

In the third quarter, the Financial Services segment represented 6 percent (EUR 1.4m) of total revenue and generated an adjusted EBITDA of EUR 0.2m, representing a margin of 12 percent.

Third-quarter revenue saw a slight dip and is now reasonably steady. This was expected when factoring in the usual summer seasonal drop in activity for July/August, and the return to normal pre-lockdown trading volumes. The end of the quarter was very much back in line with pre-summer figures.

ASKTRADERS DOUBLES ORGANIC TRAFFIC

This quarter AskTraders organic traffic more than doubled, driven largely by the success of the news section approved by Google. Getting approved does not guarantee traffic but we had success in keywords, and thus Google regularly features AskTraders as the top story. The growth is entirely organic, and in one of the hardest markets to grow in. It proves that our content is working, as all our content writers are active traders and Google is citing our content in the featured snippets on search results pages. This quarter we rolled out the first version of the AskTraders Wizard – a three-step online configurator to identify users' trading needs – to help nurture a brand-new trader from getting started to make their very first trades.

FOCUS ON SITE SPEED AND CRAWLABILITY

Our focus in the third quarter was on improving site speed and crawlability, along with general usability of the content and the website. We were accepted in Google news and developed the news/analysis section of the website, focusing in particular on reporting breaking news around stock price movements.

Financial performance July – September 2020

REVENUES

Revenue for the third quarter amounted to EUR 24.9m (26.4), a decrease of 6 percent compared to the comparable quarter last year. Organic search revenue growth decreased by 3 percent for the third quarter of 2020 when compared to the comparable quarter last year. During the third quarter, search revenue represented EUR 22.5m (23.1), paid revenue EUR 2.0m (2.8), and subscription revenue EUR 0.4m (0.5). Revenues derived through revenue-sharing arrangements comprised 46 (42) percent of total revenues for the quarter, while revenues from cost per acquisition comprised 38 (43) percent, fixed fees comprised 15 (13) percent and subscription revenue comprised 1 (2) percent.

EXPENSES

Total operating expenses including exceptional costs amounted to EUR 15.5m (18.7).

Direct costs related to paid revenue decreased when compared to the comparable period last previous year and amounted to EUR 2.5m (3.7), as a result of a decreased spend in pay-per-click (PPC) costs.

Personnel costs amounted to EUR 5.8m (5.7) which is in line with the comparable quarter last year.

Other operating expenses of EUR 4.6m (5.6) decreased when compared to the comparable quarter last year, as a result of a decreased spend on SEO support, marketing costs, human resource and recruitment costs and travel and entertainment.

Exceptional costs comprise credit facility and refinancing costs, which resulted in an income of EUR 0.2m due to a reversal of overestimated expenses in the previous quarter. For the comparable period last year, bond and credit facility related costs amounted to EUR 0.02m and reorganisation costs amounted to EUR 0.1m.

EARNINGS

Adjusted EBITDA increased by 4 percent and amounted to EUR 12.0m (11.5). This corresponds to an adjusted EBITDA margin of 48 percent (44). The increase in the margin is a result of a decrease in direct costs and other operating expenses, which offset the increase in personnel costs.

EBITDA, including a reversal of exceptional costs in the third quarter of 2020, increased by 7 percent and amounted to EUR 12.2m (11.4). This corresponds to an EBITDA margin of 49 percent (43).

The effective tax rate for the Group amounted to 19 percent (7), while earnings after tax amounted to of EUR 3.3m (11.9). The decrease mainly relates to the unrealised loss on financial liability measured at fair value of EUR 2.3m. The fair value movement in the comparable quarter last year resulted in a gain of EUR 6.8m. Earnings per share (EPS) before dilution amounted to EUR 0.05 (0.20). EPS after dilution amounted to EUR 0.03 (0.19).

INVESTMENTS

Investments in intangible assets amounted to EUR 1.1m (1.7) in the third quarter and were mainly related to costs for the development of websites and other applications.

LIQUIDITY AND CASHFLOW

On 30 September, cash and cash equivalents amounted to EUR 45.4m (11.7). High operating cash flow and solid cash conversion underlie Catena Media's operations. Net cash generated from operating activities decreased by 9 percent when compared with the third quarter of 2019 and amounted to EUR 8.5m (9.3). The cash conversion rate at the end of the period was 70 percent (81).

Financial performance January – September 2020

REVENUES

The Group's revenues for the first nine months of 2020 increased by 4 percent when compared to the comparable period the previous year and amounted to EUR 79.4m (76.3).

The period's total revenues comprised of EUR 72.3m (65.0) search revenue, EUR 5.9m (9.1) paid revenue and EUR 1.2m (2.2) subscription revenue. Revenues derived through revenue share arrangements comprised 44 (44) percent of total revenues for the first nine months of 2020, while 41 (39) percent was derived from cost per acquisition, 14 (14) percent from fixed fees and 1 (3) percent from subscriptions.

EXPENSES

Total operating expenses amounted to EUR 50.9m (54.7). During the first nine months of 2020, both direct costs and other operating costs decreased when compared to the comparable period last year. These costs amounted to EUR 7.1m (10.3) and EUR 14.4m (16.8), respectively. The reduction in costs primarily related to a decreased spend on pay-per-click (PPC), SEO support, marketing costs, human resource and recruitment costs, and travel and entertainment. Personnel costs increased to EUR 18.2m (16.9) when compared to the comparable period last year, mainly as a result of the ongoing investment in the growing US market. During the current period, exceptional costs relating to credit facility and refinancing costs amounted to EUR 1.6m (0.1), and reorganisation costs amounted to EUR 0.3m (0.1).

EARNINGS

Adjusted EBITDA increased by 23 percent and amounted to EUR 39.7m (32.2). This corresponds to an adjusted EBITDA margin of 50 percent (42). The higher margin, compared to the first nine 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 increased by 18 percent, and amounted to EUR 37.7m (32.0). This corresponds to an EBITDA margin of 47 percent (42).

The effective tax rate for the Group amounted to 23 percent (6), while earnings after tax amounted to 4.8m (20.6), a decrease of 77 percent year-on-year. This is mainly a result of the unrealised loss on financial liability of EUR 13.0m in the first nine months of 2020. The amount for the comparative period was a gain on financial liability of EUR 8.3m.

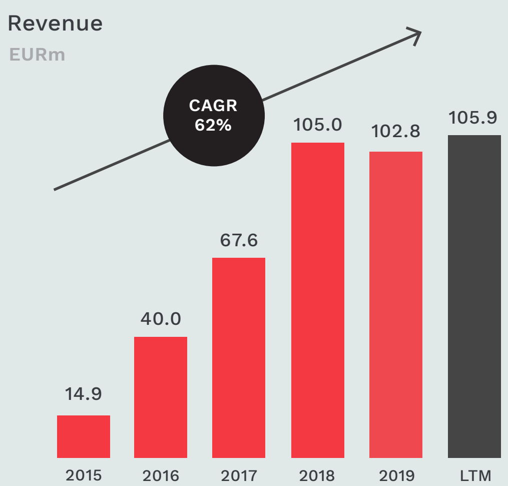
Earnings per share (EPS) before dilution amounted to EUR 0.08 (0.36) and after dilution to EUR 0.05 (0.34).

INVESTMENTS

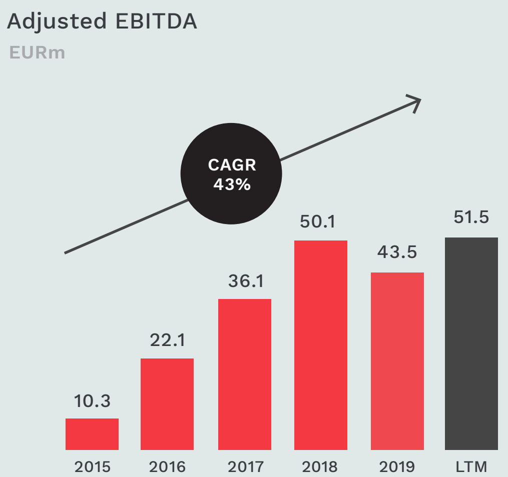
Investments in intangible assets amounted to EUR 3.6m (4.6) in the first nine months and were mainly related to costs for the development of websites and other applications.

LIQUIDITY AND CASHFLOW

On 30 September, cash and cash equivalents amounted to EUR 45.4m (11.7). High operating cash flow and solid cash conversion underlie Catena Media's operations. Net cash generated from operating activities increased by 28 percent compared with the same period in the previous year and amounted to EUR 37.1m (29.0). The cash conversion rate amounted to 99 percent (91).



- 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.

Sustainability in focus

Catena Media always acts responsibly and seeks to be transparent regarding our operations. As a growing company within a modern industry, we believe in assuming responsibility by contributing to the well-being and development of those around us and always promoting equality, ethics, diversity and a clean environment. Our main areas of focus are: Responsible Employer, Responsible Business, Customer Responsibility, and Environmental Respons-ibility. These areas are where we have the greatest impact on society, and will shape our ongoing efforts with sustainability.

RESPONSIBLE EMPLOYER
Catena Media strives to create supportive, healthy and diverse work environments that enhance employee performance and attract and retain talent. Our success is dependent on our employees, and our strong company culture provides a plat-form for our employees to develop innovative products and good customer relations.

RESPONSIBLE BUSINESS
Catena Media aims to play a positive role in society by creating value – not only for our customers and employees through our services and job creation – but in the communities in which we operate and thrive. Responsible business is the cornerstone of our sustainability efforts.

CUSTOMER RESPONSIBILITY
Catena Media takes customer responsibility seriously through comprehensive work with data privacy and the promotion of responsible gambling, for example through AskGamblers.

ENVIRONMENTAL RESPONSIBILITY
Despite Catena Media's relatively small environmental footprint, we work actively to reduce our environmental impacts. We engage with our employees on environmental issues and take responsibility in the local communities where we operate.

2020 – A GLOBAL CHALLENGE FOR ALL OF US

The past seven months have seen us collaborate on a global level more than ever before and have shown how adaptable we are, both as an organisation and as a workforce, quickly shifting our teams to working remotely, in some cases literally overnight. Everything we have done throughout this difficult period – from the early (and continued) closure of our offices, to our constant communication and emergency plans, and the sustained focus on health and wellbeing – has been with our employees in mind.

Health and Wellbeing

Alongside our annual wellness benefit, we introduced twice-daily trainer-led fitness classes when Covid-19 hit. These classes have enabled our people to stay healthy and active throughout periods of lockdown – irrespective of where they are in the world, and still continue today.

Employee-first communication

We take transparency seriously, and our bi-weekly all-company video meetings have helped us stay in touch and engage with what is going on around the business. As a global company, the focus of these meetings is sharing wins and celebrating successes, and we actively learn from our wins.

We have long utilised OfficeVibe spot polls to provide us with valuable insights into the thoughts and feelings of our people. Most importantly, we encourage everyone to waive their anonymity in their responses, in order to promote two-way communication.

To get more in-depth feedback, we've asked our people to complete 'Working from home' surveys during this period. The results from these have helped us to identify common issues and actively address them.

We continue to assess the Covid-19 situation around the globe, making our decisions with our employees' health as a priority, based on data and information provided by health authorities. With this approach, we are confident that we can continue to keep our people motivated and continue delivering as a company, regardless of external factors.

ASKGAMBLERS CASINO COMPLAINT SERVICE

AskGamblers has been, from its inception, focused on users. We want our complaint service to help players solve potential disputes with online casinos. All in the spirit of our motto, "Get the truth, then play". In the third quarter, the AskGamblers Casino Complaint Service managed to recover and return to players a total of $1,084,374, with the highest amount of unfairly confiscated money retrieved in a single complaint being €30,000. In Q3, the Casino Complaint Service received 2,521 complaints and pro-cessed 564, of which nine are still ongoing, while 83 remain unresolved. During the same period, the total number of resolved complaints reached 472, which amounts to an incredible 83% of all processed complaints. Furthermore, the lifetime total of all recovered money via the Casino Complaint Service has surpassed $35 million and involved nearly 13,000 users in total.

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.

On 31 August 2020, the Company announced that it had resolved on a directed issue of 5,124,004 due to the exercise of Catena Media's warrants (CTM TO1) (the "Warrants") during the first Warrant exercise period.

On 30 September 2020, the Company announced that it had resolved on a directed issue of 1,596,668 due to the exercise of Catena Media's warrants (CTM TO1) (the "Warrants") during the second Warrant exercise period.

DILUTION AS A RESULT OF THE RIGHTS ISSUE

Assuming exercise of all outstanding Warrants issued as part of the Rights issue, the Company's share capital will increase by EUR 59,392.65 to EUR 161,826.77 and the number of shares in the Company will increase by 39,595,103 shares to 107,884,515.

SHARE CAPITAL

As of 30 September 2020, share capital amounted to EUR 102,434 divided among 68,289,412 ordinary shares. As of 30 September 2020, the closing price for the Catena Media share was SEK 38.84. 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 September 2020 was approximately 14,700.

EQUITY

As of 30 September 2020, equity including hybrid capital securities amounted to EUR 234.9m (176.8), corresponding to an Equity-to-Assets ratio of 65 percent (48). Excluding hybrid capital securities, equity amounted to EUR 182.5m (176.8). 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. Following the two periods to subscribe for shares in the Company during July and August, the outstanding nominal value of the hybrid capital securites as at 30 September amounted to EUR 60.9m.

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.

FINANCIAL TARGETS FOR THE PERIOD 2021-2025

Catena Media has two financial targets. The first is to reach profitable double-digit organic growth annually over the period, with the US being the core growth driver. The second relates to leverage, with the goal of operating below a net interest-bearing debt/adjusted EBITDA ratio of 0-1.75x.

*REVIEWED STRATEGIC DIRECTION FOR THE PERIOD 2021-2025

Based on the board´s strategic review Catena Media plc hereby provides its decision on updated strategic direction as follows:

- Net cash generated from operating activities estimates to be in the interval of EUR 300-370m during the period and will be used for dividends, and/or share buy-back programmes, as well as strategic M&As.
- The Board's ambition is to propose a quarterly based dividend of SEK 0.65-0.75 per share and quarter starting during the second half of 2021.
- The company foresees a continued strong demand for iGaming affiliate services, especially within regulated markets.
- The US business will be a core revenue driver, supported by continued geographical expansion into Latin America, Asia and certain central European markets. Additionally, continued restructuring of the existing business in Europe for increased market share and cost efficiency.
- No further investments will be made in the Financial Services segment.
- The company will positively evaluate investments into M&A's to further strengthen its position in strategic markets.
- The company will refinance the existing bond in 2021 with financing terms adapted to the new lower debt/equity ratio.

SHAREHOLDER STRUCTURE

Shareholders in Catena Media plc as of 30 September 2020.

Ten largest shareholders as of 30 September 2020

	%
Second Swedish National Pension Fund	9.1 %
Investment AB Öresund	7.8 %
Ruane, Cunniff & Goldfarb	7.3 %
Avanza Pension	6.1 %
Deka Investments	3.5%
Baybets Ltd	3.5%
Nordnet Pensionsförsäkring	3.0%
Alcur Fonder	2.9%
Third Swedish National Pension Fund	2.8%
Ica-handlarnas Förbund	1.5 %
Subtotal, 10 largest shareholders	**47.5%**
Other shareholders	**52.5%**
Total	**100%**

DIVIDEND
According to the restrictions in the terms and conditions of the existing senior (un)secured bonds, dividends for ordinary shares are currently not allowed. The Company intends to refinance the existing senior (un)secured bonds during the first half of 2021, which will make it possible to pay dividends from the second half of 2021. There was no dividend paid for the financial period 1 January to 30 September 2020.

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. Following the amended terms, the Company 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. The Company also intends to make an additional voluntary prepayment on 2 December 2020. A total of EUR 4,000 per bond, at a call option price of 101.375 percent, will be prepaid.

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 repaid EUR 5.0m on 29 September 2020 reducing the facility to EUR 7.5m and has agreed to reduce it to 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 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 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.

On 10 July 2020, the Company announced that the first period to subscribe for shares in the Company by exercise of warrants had commenced. The subscription period ran from the 10 July to 19 July 2020. In total, 5,124,004 Warrants, comprising approximately 11.1 percent of all outstanding Warrants, were used to subscribe for the same number of new ordinary shares in the Company. Payment for the new ordinary shares has been made in cash with a total amount of approximately SEK 72.3m and by set-off of the Company’s hybrid capital securities to a total amount of approximately SEK 24.5m.

On 20 August 2020, the Company announced that the second period to subscribe for shares in the Company had commenced. The subscription period ran from the 20 August to 29 August. During the subscription period a total of 1,596,668 Warrants were used to subscribe for 1,596,668 ordinary shares in the Company. 161,752 subscribed shares have been paid in cash and 1,434,916 subscribed shares have been paid by setting off the nominal amount of 261,828 hybrid capital securities (each with a nominal amount of SEK 100.0), meaning that a total nominal amount of SEK 26.2m of the Company’s hybrid capital securities have been used for set-off purposes.

At the end of the third quarter 2020, hybrid capital securities having a nominal value of EUR 60.9m net of EUR 8.5m issuance costs have been reported as hybrid capital securities in the Company’s balance sheet. 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 and it intends to make a voluntary prepayment amounting to EUR 6.1m on 2 December 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 call option price of the voluntary prepayment of EUR 4,000 per bond on 2 December 2020 will be 101.375 percent. 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. Out of the total issuance related cost of EUR 8.5m, only EUR 2.6m have a cash impact. In deducting the exceptional cost of EUR 1.6m as registered during the quarter in relation to the refinancing, the total net proceeds of EUR 61.5m have been used to partially repay the outstanding bonds in the amount of EUR 49.5m on 16 July, and EUR 5.0m was used to partially repay the credit facility on 29 September. The remaining funds will be used to settle the remaining EUR 7.5m balance of the credit facility, prepay an amount of EUR 6.1m of the outstanding bonds and 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 September 2020, Catena Media had outstanding senior unsecured bonds of EUR 100.5m, as well as EUR 7.5m in utilised revolving credit facility. The ratio of net interest-bearing liabilities to adjusted EBITDA was 1.32 as of 30 September 2020 and in compliance with the maintenance covenants. The long-term financial target for such leverage as set by the Board of Catena Media is to operate in ratio of 0-1.75x. 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.

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 third quarters of 2020 and 2019, there was no dividend received from the subsidiaries. Credit facility and refinancing related costs for the third quarter of 2020 amounted to EUR 0.9m (0.02) and EUR 1.1m (0.03) for the first nine months of 2020. Bond and credit facility finance costs, classified as "Interest payable on borrowings", amounted to EUR 1.6m (2.3) during the third quarter and EUR 6.1m (6.6) for the period ending 30 September 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 third quarter of 2020, resulted in a loss of EUR 2.3m and a gain of EUR 6.8m in the same quarter of the previous year. The fair value movement for the period ended 30 September 2020 resulted in a loss of EUR 13.0m, while a gain of EUR 8.3m resulted during the same period of 2019. The fair value loss during the first nine months of 2020 also included a hedging premium fee incurred in relation to a fair value hedge, which amounted to EUR 0.4m (nil).

During the third quarter of 2020, personnel expenses amounted to EUR 0.4m (0.3), while other operating expenses amounted to EUR 0.1m (0.05). Personnel expenses and other operating expenses for the period ended 30 September 2020 amounted to EUR 1.1m (0.6) and EUR 0.1m (0.2) respectively. Loss for the third quarter of 2020 amounted to EUR 3.6m, while a profit of EUR 6.5m resulted during the corresponding quarter of the previous year. Loss for the nine months ended 30 September 2020 amounted to EUR 15.0m, while an amount of EUR 7.6m was recognised as a profit for the same period in the previous year. The losses for both the third quarter and the first nine months 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 12.5m (3.4), while borrowings, comprising the bond at fair value through profit and loss and the bank credit facility, amounted to EUR 109.0m (148.3) during the period ended 30 September 2020. Equity amounted to EUR 159.8m (93.4) 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. From a revenue perspective, the company´s revenue from emerging markets currently constitutes a small part of total revenue and the risk is thus low. 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**

GERMANY – TRANSITIONAL REGULATIONS

In March 2020, the German federal states agreed on a new German Interstate Treaty on Gambling (ISTG 2021) to take effect 1 July 2021. The ISTG 2021 contains a licensing regime for online gambling and lifts the previous ban on online slots and online poker.

The German states have also agreed on transitional regulations that entered into force on 15 October 2020. These regulations set out a number of requirements that operators need to comply with to avoid being considered as "unreliable" and thereby risking rejection of future license applications. These requirements include implementation of deposit limits, restrictions on virtual slots, and removal of table games such as roulette, baccarat and blackjack.

While these transitional regulations do not expressly regulate affiliation activity, the changes operators must implement will have an effect on Catena Media. We have reviewed and updated our websites targeting the German market to reflect these changes.

EXECUTIVE MANAGEMENT

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.

EMPLOYEES

As of 30 September, the Group had a total of four hundred and three (404) employees, of whom one hundred and forty-seven (147) were women and two hundred and fifty seven (257) men. Expressed as percentages, women represented thirty-six percent (36) of the total number of employees, while men represented sixty-four percent (64). Of our 404 employees, 400 are employed full-time, and 4 employed part-time.

ANNUAL GENERAL MEETING 2020

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 2020

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 2020

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.

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- 10 July - First day of trading in Catena Media's warrants and capital securities, and first day to exercise warrants for subscription of shares
- 20 July - Record in revenues and profits – Trading update for the second quarter 2020
- 21 July - Catena Media announces the outcome of the exercise of warrants during the first subscription period
- 19 August - Publication of interim report January – June 2020 Records in Revenues and Profits
- 20 August - First day to exercise Catena Media's warrants (CTM TO1) for subscription of new shares during the second exercise period
- 31 August - Announcement of new number of shares and votes in Catena Media plc
- 1 September - Catena Media announces the outcome of the exercise of warrants during post Q2 report subscription period
- 30 September - Announcement of new number of shares and votes in Catena Media plc

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- 4 November - Catena Media Nomination Committee 2021 AGM appointed with Ulrika Danielson, representing The Second Swedish National Fund nominated the Chairwoman of the Nomination Committee.
- 13 November - Catena Media makes a voluntary partial prepayment of its Outstanding Bonds.

ANNUAL GENERAL MEETING 2021

The date for next year's Annual General Meeting has been changed. The Annual General Meeting meeting 2021 of Catena Media plc for the financial year 1 january 2020 - 31 December 2020, will be held Wednesday 12 May 2021, at the company´s headquarter at Quantum Place, Triq ix-Xatt, Ta`Xbiex, Gzira, GZR 1052, Malta at 10:00 am (CET).

PRESENTATION OF REPORT TO INVESTORS AND MEDIA

A combined audiocast with telephone conference, with the opportunity to ask questions, will be held on 19 November 2020 at 9:00 am CET, at which CEO Per Hellberg and Group CFO Peter Messner will present the Q3 report. The presentation will be given in English and will be simultaneously webcast at:
https://tv.streamfabriken.com/catena-media-q3-2020
To participate via telephone, please dial:

SE	+ 46 8 505 583 66
UK:	+ 44 333 300 92 68
US:	+ 1 833 526 83 95

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

More highlights

THELINES.COM – A STAR

The return of major sports this summer was the biggest story for our US business. The NBA, NCAA basketball, NHL and Major League Baseball all shut down in the spring because of the pandemic. But sports – and betting on them – came back in a huge way in August. Usually a slow time on the sports calendar in America, every major sport was playing by summer's end, resulting in positive results for the US business. When the NFL and college football returned as well in September, the US division set records for revenue and traffic. This was also boosted by the expanding addressable market, as more states started allowing legal online betting over the course of 2020. The biggest star was TheLines.com, which saw more than a million sessions in the final month of the quarter.

"We are all very excited by the growth of Catena's US business and the trajectory of the US market overall."

/MICHAEL DALY – VICE PRESIDENT NORTH AMERICA

ASKTRADERS WIN UK FINANCE CONTENT CAMPAIGN

The Catena Media Financial Services product AskTraders has won the Finance Content Campaign of the Year at the UK Content Awards 2020 for our campaign together with Digital PR Specialists Rise at Seven.

When the UK Content Awards celebrated the best content marketing campaigns of the year, AskTraders' content campaign together with Rise at Seven was praised and awarded for their collaboration on a multi-tiered content campaign in financial news.

The judges' motivation for the award was a campaign with clear objectives, consistent coverage across all UK media and a comprehensive approach to outreach marketing that covered campaign work and newsjacking.

Steve Rose, Product Owner at Asktraders.com, said "The work we did with Rise at Seven has been a big part of our journey this year to position Asktraders as a leading source of financial news. We're delighted with the results and it's great to have it recognised with this award."

Over the last year, AskTraders and Rise at Seven generated several hundred links with notable finance sites City A.M., This is Money, The Independent and The Scotsman, among others, citing AskTraders in their news coverage.

SQUAWKA LAUNCHES NEW COMPARISON MATRIX TOOL

In September Catena Media's premium football publishing website, Squawka, launched a new Comparison Matrix tool that allows fans around the world to discover, engage with and share statistics about their favourite footballers. The tool features over 80,000 players and teams from more than 65 global leagues – including Europe's major divisions and the Champions League, plus international tournaments. The tool's visualisations allow users to compare statistical similarities and differences between both players and teams in order to stimulate debate on social media, fuel research, assess emerging trends and assist decision-making. The Comparison Matrix will ensure that Squawka – a finalist in two categories at the Football Content Awards 2020 – strengthens its position in the highly competitive football market and is set to further improve its market-leading social, editorial and video output.

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.

Malta, 19 November 2020

THE BOARD OF DIRECTORS

Göran Blomberg
Chairman

Theodore Bergqvist

Öystein Engebretsen

Marcus Lindqvist

Per Widerström

Adam Krejcik

Upcoming events 2021

24 February 2021
Year-end report 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/**

12 May 2021
Annual General Meeting 2021

The Annual General Meeting of Catena Media plc for the financial year 1 January - 31 December 2020 will be held in Malta with the possibility to vote from Sweden.

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. The information was submitted for publication, through the agency of the contact persons above, on 19 November 2020 at 7 am CET.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Directors of Catena Media p.l.c.

INTRODUCTION

We have reviewed the accompanying condensed consolidated interim statement of financial position of Catena Media p.l.c. and its subsidiaries as of 30 September 2020 and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the nine-month period then ended, and the explanatory notes. The directors are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410,'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

PricewaterhouseCoopers
78, Mill Street, Zone 5, Central Business District, Qormi, Malta

Romina Soler
Partner

19 November 2020

Condensed consolidated interim statement of comprehensive income

Amounts in '000 (EUR)	Notes	**Jul–Sep 2020**	Jul–Sep 2019	**Jan–Sep 2020**	Jan–Sep 2019	Jan–Dec 2019
Revenue	2	**24,877**	26,421	**79,356**	76,262	102,817
Total revenue		**24,877**	26,421	**79,356**	76,262	102,817
Direct costs	4	**(2,475)**	(3,674)	**(7,058)**	(10,305)	(13,610)
Personnel expenses		**(5,752)**	(5,690)	**(18,166)**	(16,914)	(22,780)
Depreciation and amortisation		**(2,730)**	(3,647)	**(9,199)**	(10,371)	(14,083)
Exceptional costs:						
Credit facility and refinancing related costs	5	**160**	(15)	**(1,584)**	(62)	(62)
Reorganisation costs	5	**(17)**	(92)	**(471)**	(149)	(253)
Loss allowances on trade receivables	5	**–**	–	**–**	–	(2,650)
Impairment on intangible assets	5	**–**	–	**–**	–	(32,103)
Other operating expenses		**(4,639)**	(5,552)	**(14,422)**	(16,849)	(22,956)
Total operating expenses		**(15,453)**	(18,670)	**(50,900)**	(54,650)	(108,497)
Operating profit/(loss)		**9,424**	7,751	**28,456**	21,612	(5,680)
Interest payable on borrowings		**(1,612)**	(2,212)	**(6,026)**	(6,505)	(8,718)
Other (losses)/gains on financial liability at fair value through profit or loss		**(2,318)**	6,750	**(13,001)**	8,250	5,550
Other finance costs		**(1,417)**	–	**(3,157)**	(1,491)	(1,510)
Other finance income		**–**	528	**–**	–	–
Profit/(loss) before tax		**4,077**	12,817	**6,272**	21,866	(10,358)
Tax expense		**(756)**	(920)	**(1,435)**	(1,257)	(178)
Profit/(loss) for the period/year attributable to the equity holders of the Parent Company		**3,321**	11,897	**4,837**	20,609	(10,536)
Other comprehensive income						
Currency translation differences		**(64)**	40	**(163)**	(4)	(37)
Total other comprehensive (loss)/income for the period/year		**(64)**	40	**(163)**	(4)	(37)
Total comprehensive income/(loss) attributable to the equity holders of the Parent Company		**3,257**	11,937	**4,674**	20,605	(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		**0.05**	0.20	**0.08**	0.36	(0.18)
Diluted earnings per share						
From profit/(loss) for the period/year		**0.03**	0.19	**0.05**	0.34	(0.17)

The notes on pages 18 to 26 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet

Amounts in '000 (EUR)	Notes	30 Sep 2020	30 Sep 2019	31 Dec 2019
ASSETS				
Non-current assets				
Goodwill		**7,333**	11,966	7,333
Right-of-use asset	9	**5,402**	7,295	7,433
Other intangible assets	6	**278,574**	310,891	281,584
Property, plant and equipment		**2,737**	3,687	3,324
Total non-current assets		**294,046**	333,839	299,674
Current assets				
Trade and other receivables		**20,117**	22,923	20,553
Current tax asset		**9**	–	–
Cash and cash equivalents		**45,434**	11,698	12,286
Total current assets		**65,560**	34,621	32,839
Total assets		**359,606**	368,460	332,513
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		**102**	88	88
Share premium		**101,177**	75,640	76,666
Hybrid capital securities	10	**52,385**	–	–
Other reserves		**13,005**	6,559	6,848
Retained earnings		**68,231**	94,539	63,394
Total equity		**234,900**	176,826	146,996
Liabilities				
Non-current liabilities				
Borrowings	7	**95,445**	148,250	150,950
Deferred tax liabilities		**4,435**	5,070	3,589
Lease liability	9	**3,364**	4,921	4,688
Total non-current liabilities		**103,244**	158,241	159,227
Current liabilities				
Borrowings	7	**13,560**	–	–
Amounts committed on acquisition	8	**–**	23,355	18,068
Trade and other payables		**7,902**	9,150	7,683
Current tax liabilities		**–**	888	539
Total current liabilities		**21,462**	33,393	26,290
Total liabilities		**124,706**	191,634	185,517
Total equity and liabilities		**359,606**	368,460	332,513

The notes on pages 18 to 26 are an integral part of these condensed consolidated interim financial statements.
These condensed consolidated interim financial statements on pages 14 to 26 were authorised for issue by the Board on **19 November 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 Company					
Balance at 1 January 2020	88	76,666	–	6,848	63,394	146,996
Comprehensive income						
Profit for the period	–	–	–	–	4,837	4,837
Currency translation differences	–	–	–	(163)	–	(163)
Total comprehensive income for the period	–	–	–	(163)	4,837	4,674
Transactions with owners						
Issue of share capital	14	24,511	–	–	–	24,525
Issue of capital securities, net of transaction costs	–	–	52,385	–	–	52,385
Equity–settled share–based payments	–	–	–	6,320	–	6,320
Total transactions with owners	14	24,511	52,385	6,320	–	83,230
Balance at 30 September 2020	**102**	**101,177**	**52,385**	**13,005**	**68,231**	**234,900**

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						
Profit for the period	–	–	–	–	20,609	20,609
Foreign currency translation movement	–	–	–	(4)	–	(4)
Total comprehensive income for the period	–	–	–	(4)	20,609	20,605
Transactions with owners						
Issue of share capital	4	13,870	–	–	–	13,874
Equity–settled share–based payments	–	–	–	500	–	500
Total transactions with owners	4	13,870	–	500	–	14,374
Balance at 30 September 2019	**88**	**75,640**	**–**	**6,559**	**94,539**	**176,826**

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 loss for the year	–	–	–	(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 18 to 26 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of cash flows

Amounts in '000 (EUR)	Jul–Sep 2020	Jul–Sep 2019	Jan–Sep 2020	Jan–Sep 2019	Jan–Dec 2019
Cash flows from operating activities					
Profit/(loss) before tax	**4,077**	12,817	**6,272**	21,866	(10,358)
Adjustments for:					
Depreciation and amortisation	**2,730**	3,647	**9,199**	10,371	14,083
Loss on disposal of assets	**–**	–	**47**	92	95
Loss allowance on trade receivables	**320**	131	**664**	181	2,831
Bad debts	**(4)**	–	**446**	–	185
Impairment on intangible assets	**–**	–	**–**	–	32,103
Unrealised exchange differences	**840**	1,004	**2,703**	1,346	909
Interest expense	**1,698**	1,684	**6,295**	7,301	9,791
Net gains/(losses) on financial liability at fair value through profit or loss	**2,317**	(6,750)	**12,555**	(8,250)	(5,550)
Share-based payments	**249**	241	**457**	555	878
	12,227	12,774	**38,638**	33,462	44,967
Taxation paid	**(760)**	(5)	**(999)**	(648)	(1,370)
Changes in:					
Trade and other receivables	**(1,057)**	(2,001)	**(757)**	(2,301)	(2,711)
Trade and other payables	**(1,901)**	(1,518)	**241**	(1,516)	(2,889)
Net cash generated from operating activities	**8,509**	9,250	**37,123**	28,997	37,997
Cash flows from investing activities					
Acquisition of property, plant and equipment	**(46)**	(88)	**(186)**	(472)	(503)
Acquisition of intangible assets	**(1,209)**	(19,088)	**(10,292)**	(34,136)	(39,285)
Net cash used in investing activities	**(1,255)**	(19,176)	**(10,478)**	(34,608)	(39,788)
Cash flows from financing activities					
Net proceeds from hybrid capital securities	**6,212**	–	**63,178**	–	–
Net proceeds on borrowings	**–**	9,500	**–**	12,500	12,500
Repayment of borrowings	**(54,500)**		**(54,500)**	–	–
Proceeds on exercise of share options and warrants	**7,390**	–	**7,390**	257	257
Interest paid	**(1,878)**	(2,153)	**(6,318)**	(6,390)	(8,594)
Lease payments	**(787)**	(608)	**(2,445)**	(2,210)	(3,042)
Net cash (used in)/generated from financing activities	**(43,563)**	6,739	**7,305**	4,157	1,121
Net movement in cash and cash equivalents	**(36,309)**	(3,187)	**33,950**	(1,454)	(670)
Cash and cash equivalents at beginning of period/year	**82,631**	15,094	**12,286**	13,161	13,161
Currency translation differences	**(888)**	(209)	**(802)**	(9)	(205)
Cash and cash equivalents at end of period/year	**45,434**	11,698	**45,434**	11,698	12,286

The notes on pages 18 to 26 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. ACCOUNTING PRINCIPLES

This third 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 recognised within 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 and no negative long-term effects on the business are expected. As a result of the easing of Covid-19 restrictions before the summer, certain sport leagues and events were resumed or rescheduled and the third quarter saw a continued return of sports.

Impact on the Sports segment

By the end of the first quarter and during most of the second quarter, major sports events were 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 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, e-sports and virtual sports. However, such alternatives were not 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. Since the end of June and during the third quarter, sports gradually returned and the Sports business started to recover.

Impact on the Casino and Financial Services segments

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.

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 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, 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. During the third quarter, the segment normalised back from the peak of the second quarter.

Potential impact on the outlook for all segments

Since the middle of the second quarter, several sports returned, leading to the gradual recovery of the Sports business, which continued through the third quarter.

The volumes for online casinos during the third quarter also normalised again from the previous peak levels. This happened as a result of the easing of Covid-19 restrictions around Europe, sports having returned, and 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
The Group has three operating segments, resulting in three cash-generating units (CGUs) for the purpose of the IAS36. The recoverable amount of the CGUs was assessed, based on the value-in-use calculations. In 2020, Management has continued to assess the Group's strategy in an ever-changing environment, including the consideration of the impact of Covid-19, and emerging markets. Growth and other underlying assumptions over the projected period were reviewed in line with the Group's strategic direction. A detailed impairment assessment was performed at the end of this quarter, concluding that the recoverable amount for each of the three CGUs exceeded the carrying amount. Management is also constantly reviewing the estimated indefinite life of its portfolio of assets.

Management's assessment of the recoverable amount of intangible assets will be continuously reviewed for future impairment. The recoverable amount of the Sports CGU is sensitive to ambitious growth assumptions for both the US and non-US assets, including expectations for recovery from Covid-19. Deviations from growth plans could result in impairment. The carrying value of the Financial CGU approximates its recoverable amount and is therefore also sensitive to fluctuations in performance.

Trade receivables and loss allowance on trade receivables
The loss allowance on trade receivables is a critical accounting estimate. Management continues to review the development of the IFRS 9 expected loss model. Given that the Group has limited historical experience, the judgement remains subjective. Management increased the loss allowance on trade receivables by a further EUR 0.7m in the first nine months of 2020. Management will continue to monitor the adequacy of this loss allowance, also considering any further impact that Covid-19 may have on the assessment of expected loss default rates applied in the model.

2. REVENUE

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

Amounts in '000 (EUR)	**Jul–Sep 2020**	Jul–Sep 2019	**Jan–Sep 2020**	Jan–Sep 2019	Jan–Dec 2019
Search revenue	**22,499**	23,126	**72,256**	64,951	88,283
Subscriptions revenue	**376**	507	**1,189**	2,179	2,582
Paid revenue	**2,002**	2,788	**5,911**	9,132	11,952
Total revenue	**24,877**	26,421	**79,356**	76,262	102,817

Search revenue comprised EUR 15.8m Casino revenue, EUR 5.7m Sports revenue and EUR 1.0m Financial Services revenue for the current quarter. For the first nine months of 2020 Search revenue comprised EUR 52.6m Casino revenue, EUR 16.4m Sports revenue and EUR 3.3m Financial Services revenue. Search revenue for the third quarter of 2019 comprised EUR 15.7m Casino Revenue, EUR 6.4m Sports revenue and EUR 1.0m Financial Services revenue. Comparative data for the first nine months is not available as for the first half of the year only two operating segments were reported, namely iGaming and Financial Services. Paid revenue comprised EUR 1.8m Sports revenue and EUR 0.2m Casino revenue for the current quarter. For the first nine months of 2020 Paid revenue comprised EUR 4.8m Sports Revenue and EUR 1.1m Casino revenue. Paid revenue for the third quarter of 2019 comprised EUR 2.1m Sports revenue and EUR 0.7m Casino revenue. Comparative data for the first nine months is not available as for the first half of the year only two operating segments were reported.

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 following tables show figures for each period presented in this report.

Amounts in '000 (EUR)	Jul–Sep 2020					Jul–Sep 2019				
	Casino	Sports	Financial Services	Unallocated	**Total**	Casino	Sports	Financial Services	Unallocated	Total
Revenue*	16,018	7,513	1,346	–	**24,877**	16,402	8,628	1,391	–	26,421
Total revenue	16,018	7,513	1,346	–	**24,877**	16,402	8,628	1,391	–	26,421
Direct costs	(1,003)	(1,430)	(42)	–	**(2,475)**	(1,589)	(1,958)	(127)	–	(3,674)
Personnel expenses	(3,098)	(2,137)	(517)	–	**(5,752)**	(2,890)	(2,304)	(496)	–	(5,690)
Depreciation and amortisation	(1,575)	(922)	(233)	–	**(2,730)**	(2,420)	(1,080)	(147)	–	(3,647)
Exceptional costs:										
Credit facility and refinancing related costs	–	–	–	160	**160**	–	–	–	(15)	(15)
Reorganisation costs	–	–	–	(17)	**(17)**	–	–	–	(92)	(92)
Other operating expenses	(2,038)	(1,981)	(620)	–	**(4,639)**	(2,804)	(2,103)	(645)	–	(5,552)
Total operating expenses	(7,714)	(6,470)	(1,412)	143	**(15,453)**	(9,703)	(7,445)	(1,415)	(107)	(18,670)
Operating profit/(loss)	8,304	1,043	(66)	143	**9,424**	6,699	1,183	(24)	(107)	7,751
Interest payable on borrowings	–	–	–	(1,612)	**(1,612)**	–	–	–	(2,212)	(2,212)
Other (losses)/gains on financial liability at fair value through profit or loss	–	–	–	(2,318)	**(2,318)**	–	–	–	6,750	6,750
Other finance costs	–	–	–	(1,417)	**(1,417)**	–	–	–	–	–
Other finance income	–	–	–	–	–	–	–	–	528	528
Profit/(loss) before tax	8,304	1,043	(66)	(5,204)	**4,077**	6,699	1,183	(24)	4,959	12,817
Tax expense	–	–	–	(756)	**(756)**	–	–		(920)	(920)
Profit/(loss) for the period attributable to the equity holders of the Parent Company	8,304	1,043	(66)	(5,960)	**3,321**	6,699	1,183	(24)	4,039	11,897
Other comprehensive income										
Currency translation differences	–	–	–	(64)	**(64)**	–	–	–	40	40
Total other comprehensive (loss)/income for the period	–	–	–	(64)	**(64)**	–	–	–	40	40
Total comprehensive (loss)/income attributable to the equity holders of the Parent Company	8,304	1,043	(66)	(6,024)	**3,257**	6,699	1,183	(24)	4,079	11,937
Adjusted EBITDA	9,879	1,965	167	–	**12,011**	9,119	2,263	123	–	11,505
Adjusted EBITDA margin	62%	26%	12%	–	**48%**	56%	26%	9%	–	44%
NDCs ('000)	49	46	-	–	**95**	63	35	1	–	99

* Revenue reported under Financial Services includes Financial Services revenue of EUR 0.9 m (1.0) and Subscriptions revenue amounting to EUR 0.4m (0.4).

Amounts in '000 (EUR)	Jan–Sep 2020 Casino	Sports	Financial Services	Unallocated	Total	Jan–Sep 2019 Casino	Sports	iGaming	Financial Services	Unallocated	Total
Revenue*	53,641	21,294	4,421	–	**79,356**	16,402	8,628	46,876	4,356	–	76,262
Total revenue	53,641	21,294	4,421	–	**79,356**	16,402	8,628	46,876	4,356	–	76,262
Direct costs	(3,269)	(3,528)	(261)	–	**(7,058)**	(1,589)	(1,958)	(6,248)	(510)	–	(10,305)
Personnel expenses	(10,030)	(6,485)	(1,651)	–	**(18,166)**	(2,890)	(2,304)	(10,089)	(1,631)	–	(16,914)
Depreciation and amortisation	(5,697)	(2,783)	(719)	–	**(9,199)**	(2,420)	(1,080)	(6,505)	(366)	–	(10,371)
Exceptional costs:											
Credit facility and refinancing related costs	–	–	–	(1,584)	**(1,584)**	–	–	–	–	(62)	(62)
Reorganisation costs	–	–	–	(471)	**(471)**	–	–	–	–	(149)	(149)
Other operating expenses	(6,768)	(5,882)	(1,772)	–	**(14,422)**	(2,804)	(2,103)	(9,974)	(1,968)	–	(16,849)
Total operating expenses	(25,764)	(18,678)	(4,403)	(2,055)	**(50,900)**	(9,703)	(7,445)	(32,816)	(4,475)	(211)	(54,650)
Operating profit/(loss)	27,877	2,616	18	(2,055)	**28,456**	6,699	1,183	14,060	(119)	(211)	21,612
Interest payable on borrowings	–	–	–	(6,026)	**(6,026)**	–	–	–	–	(6,505)	(6,505)
Other (losses)/gains on financial liability at fair value through profit or loss	–	–	–	(13,001)	**(13,001)**	–	–	–	–	8,250	8,250
Other finance costs	–	–	–	(3,157)	**(3,157)**	–	–	–	–	(1,491)	(1,491)
Profit/(loss) before tax	27,877	2,616	18	(24,239)	**6,272**	6,699	1,183	14,060	(119)	43	21,866
Tax expense	–	–	–	(1,435)	**(1,435)**	–	–	–	–	(1,257)	(1,257)
Profit/(loss) for the period attributable to the equity holders of the Parent Company	27,877	2,616	18	(25,674)	**4,837**	6,699	1,183	14,060	(119	(1,214)	20,609
Other comprehensive income											
Currency translation differences	–	–	–	(163)	**(163)**	–	–	–	–	(4)	(4)
Total other comprehensive (loss)/income for the period	–	–	–	(163)	**(163)**	–	–	–	–	(4)	(4)
Total comprehensive income/(loss) attributable to the equity holders of the Parent Company	27,877	2,616	18	(25,837)	**4,674**	6,699	1,183	14,060	(119)	(1,218)	20,605
Adjusted EBITDA	33,574	5,399	737	–	**39,710**	9,119	2,263	20,565	247	–	32,194
Adjusted EBITDA margin	63%	25%	17%	–	**50%**	56%	26%	44%	6%	–	42%
NDCs ('000)	206	111	2	–	**319**	63	35	220	5	–	323

* Revenue reported under Financial Services includes Financial Services revenue of EUR 3.2m (3.3) and Subscriptions revenue amounting to EUR 1.2m (1.1).

Amounts in '000 (EUR)	Casino	Sports	iGaming	Financial Services	Unallocated	Total
	Jan–Dec 2019					
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						
Credit facility and refinancing 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)/profit	(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						
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 and refinancing costs, reorganisation costs, loss allowances on trade receivables and impairment on intangible assets.

During the third quarter of 2020, costs relating to the credit facility and refinancing amounted to an income of EUR 0.2m due to a reversal of overestimated expenses in the previous quarter, while reorganisation costs amounted to EUR 0.01m. During the corresponding period exceptional costs relating to the credit facility amounted to EUR 0.02m, whilst reorganisation costs amounted to EUR 0.1m, the latter comprising of termination benefits. During the nine months ending 30 September 2020, credit facility and refinancing costs amounted to EUR 1.6m (0.1), 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 and internal 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	60	–	3,573	3,633
Change in estimates	(426)	–	–	(426)
Cost at 30 September 2020	**298,582**	**16,055**	**20,455**	**335,092**
Accumulated amortisation at 1 January 2020	(27,469)	(14,001)	(8,831)	(50,301)
Amortisation charge	(327)	(1,797)	(4,093)	(6,217)
At 30 September 2020	**(27,796)**	**(15,798)**	**(12,924)**	**(56,518)**
At 30 September 2020	**270,786**	**257**	**7,531**	**278,574**
At 30 September 2019	299,357	3,363	8,171	310,891

Additions of EUR 3.6m related to other intellectual property, which comprises costs for the development of websites and other applications. No asset acquisitions were concluded up to the third quarter of 2020. Adjustments recognised as a result of a change in agreement amounted to EUR -0.4m.

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. Borrowings include an outstanding amount of EUR 7.5m out of a utilised portion of EUR 12.5m of the multicurrency revolving bank credit facility. The corresponding balance as at 30 September 2019 comprised the bond amounting to EUR 150.0m and the utilised portion of the bank credit facility amounting to EUR 12.5m. 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 Company intends to make an additional voluntary prepayment on 2 December 2020. A total of EUR 4,000 per bond, at a call option price of 101.375 percent will be prepaid.

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 101.5m, 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 third quarter of 2020 and for the same quarter of the previous year, comprising a loss of EUR 2.3m and a gain of EUR 6.8m respectively, are recognised in "Other (losses)/gains on financial liability at fair value through profit or loss" in the income statement. The movements in fair value for the first nine months of 2020 and for the same period of the previous year, comprise a loss of EUR 12.6m and a gain of EUR 8.3m, 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 1.0m. Similarly, if the estimated price of the bond decreased by 1 percent, the estimated fair value of the bond would decrease by EUR 1.0m.

Out of the outstanding balance of the bond, EUR 6.0m having a fair value of EUR 6.1m has been classified as current. The remaining balance of EUR 95.4m has been classified as non-current, since the repayment date has been extended to March 2022.

The amended terms for the multicurrency revolving bank credit facility with Swedbank AB (publ) provide available credit of EUR 12.5m out of which the full amount has been utilised. On 29 September 2020, the Company paid EUR 5.0m, reducing the facility to EUR 7.5m by end of the third quarter. The Company has agreed to reduce the facility 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–Sep 2020**	Jan–Sep 2019	Jan–Dec 2019
Opening balance	18,068	81,910	81,910
Settlements/set-offs	(17,579)	(45,891)	(50,195)
Notional interest charge	(4)	2,399	1,956
Adjustments arising as a result of a change in estimate	(485)	(15,063)	(15,603)
Closing balance	**–**	23,355	18,068

Amounts committed are further analysed as follows:

Amounts in '000 (EUR)	**30 Sep 2020**	30 Sep 2019	31 Dec 2019
Current			
Contingent	–	18,539	1,752
Non-contingent	–	4,816	16,316
Total amounts committed	**–**	23,355	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-Sep 2020**	Jan-Sep 2019	Jan-Dec 2019
Opening balance	7,782	9,258	9,258
Notional interest charge for the period/year, net of foreign exchange differences	279	330	449
New lease arrangements during the period/year	229	–	1,036
Payments	(2,446)	(2,090)	(2,961)
Closing balance	**5,844**	7,498	7,782

Lease liability is further analysed as follows:

Amounts in '000 (EUR)	**30 Sep 2020**	30 Sep 2019	31 Dec 2019
Current lease liability	2,480	2,577	3,094
Non-current lease liability	3,364	4,921	4,688
	5,844	7,498	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 Sep 2020**	30 Sep 2019	31 Dec 2019
Properties	**5,402**	7,295	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 593.0m was subscribed with unit subscription rights, approximately 28.6 per cent, or approximately SEK 196.0m was subscribed without unit subscription rights, and approximately 1.7 per cent, or SEK 11.5m 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 684.0m 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.

On 10 July 2020, the Company announced that the first period to subscribe for shares in the Company by exercise of warrants had commenced. The subscription period ran from the 10 July to 19 July 2020. In total, 5,124,004 Warrants, comprising approximately 11.1 per cent. of all outstanding Warrants, were used to subscribe for the same number of new ordinary shares in the Company. Payment for the new ordinary shares has been made in cash with a total amount of approximately SEK 72.3m and by set-off of the Company's hybrid capital securities to a total amount of approximately SEK 24.5m.

On 20 August 2020, the Company announced that the second period to subscribe for shares in the Company had commenced. The subscription period ran from the 20 August to 29 August. During the subscription period a total of 1,596,668 Warrants were used to subscribe for 1,596,668 ordinary shares in the Company. 161,752 subscribed shares have been paid in cash and 1,434,916 subscribed shares have been paid by setting off the nominal amount of 261,828 hybrid capital securities (each with a nominal amount of SEK 100.0), meaning that a total nominal amount of SEK 26.2m of the Company's hybrid capital securities have been used for set-off purposes.

At the end of the third quarter of 2020, hybrid capital securities having a nominal value of EUR 60.9m, net of issuance costs of EUR 8.5m have been reported as equity. Further detail is found in the table below.

Amounts in '000 (EUR)	30 Sep 2020
Hybrid capital securities at nominal amount upon initial subscription	65,732
First subscription period set-off	(2,354)
Second subscription period set-off	(2,516)
Hybrid capital securities at nominal amount as at end of reporting period	**60,862**

Amounts in '000 (EUR)	30 Sep 2020
Hybrid capital securities at nominal amount	60,862
Issuance costs	
Advisory costs, including financial, legal and assurance	(2,184)
Commission fees to guarantors	(6,293)
Total issuance costs	(8,477)
Hybrid capital securities disclosed as at end of the reporting period	**52,385**

Condensed Parent Company interim statements of income and other comprehensive income

Amounts in ’000 (EUR)	**Jul–Sep 2020**	Jul–Sep 2019	**Jan–Sep 2020**	Jan–Sep 2019	Jan–Dec 2019
Personnel expenses	**(356)**	(259)	**(1,133)**	(597)	(953)
Credit facility and refinancing related costs	**(940)**	(15)	**(1,086)**	(30)	(30)
Recharge of credit facility and refinancing related costs to subsidiary	**940**	15	**1,086**	30	30
Other operating expenses	**(78)**	(45)	**(138)**	(150)	(194)
Other operating income	**19**	20	**59**	59	79
Total operating expenses	**(415)**	(284)	**(1,212)**	(688)	(1,068)
Operating loss	**(415)**	(284)	**(1,212)**	(688)	(1,068)
Interest payable on borrowings	**(1,599)**	(2,256)	**(6,057)**	(6,550)	(8,716)
Recharge of interest to subsidiary	**1,599**	2,256	**6,057**	6,550	8,716
Other (losses)/gains on financial liability at fair value through profit or loss	**(2,318)**	6,750	**(13,001)**	8,250	5,550
Other finance costs	**(818)**	(4)	**(821)**	(9)	(9)
Finance income	**–**	–	**–**	–	2
(Loss)/profit before tax	**(3,551)**	6,462	**(15,034)**	7,553	4,475
Tax expense	**–**	–	**–**	–	–
(Loss)/profit for the period/year - total comprehensive income	**(3,551)**	6,462	**(15,034)**	7,553	4,475

Condensed Parent Company interim balance sheet

Amounts in '000 (EUR)	**30 Sep 2020**	30 Sep 2019	31 Dec 2019
ASSETS			
Non-current assets			
Investment in subsidiaries	**262,289**	1,445	1,509
Current assets			
Trade and other receivables	**18**	242,270	246,441
Cash and cash equivalents	**12,496**	3,410	109
Total current assets	**12,514**	245,680	246,550
Total assets	**274,803**	247,125	248,059
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**102**	88	88
Share premium	**101,708**	76,171	77,196
Hybrid capital securities	**52,385**	–	–
Other reserves	**8,288**	1,645	1,967
Retained earnings	**(2,654)**	15,457	12,380
Total equity	**159,829**	93,361	91,631
Liabilities			
Non-current liabilities			
Borrowings	**95,445**	148,250	150,950
Total non-current liabilities	**95,445**	148,250	150,950
Current liabilities			
Borrowings	**13,560**	–	–
Trade and other payables	**5,969**	5,514	5,478
Total current liabilities	**19,529**	5,514	5,478
Total liabilities	**114,974**	153,764	156,428
Total equity and liabilities	**274,803**	247,125	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 understanding of EBITDA margin than non-adjusted EBITDA margin, which also provides a more comparable financial measure over time.
NDCs (NEW DEPOSITING CUSTOMERS)	New customers placing a first deposit on a client's website.	The Group reports this key figure since it is key to measure revenues and long-term organic growth.
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.
NIBL (INCLUDING HYBRID CAPITAL SECU-RITIES)	Interest-bearing liabilities plus hybrid capital securities less cash and cash	The Group reports this key ratio to show the outstanding balance of interest-bearing liabilities and hybrid capital securities after deducting its most liquid assets, cash and cash equivalents.
NIBL (INCLUDING HYBRID CAPITAL SECU-RITIES) /EBITDA MULTIPLE	Interest-bearing liabilities (notional amount including redemption premium) plus hybrid capital securities 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, hybrid capital securities and EBITDA are held con-stant.
NIBL (INCLUDING HYBRID CAPITAL SECU-RITIES) / ADJUSTED EBITDA MULTIPLE	Interest-bearing liabilities (notional amount including redemption premium) plus hybrid capital securities 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, hybrid capital securi-ties 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 with its total equity.