Interim report | January - September 2017

Third quarter of 2017 – Record quarter and continued strong growth

- Revenues totalled EUR 17.26 million (10.73), an increase of 61 percent year-on-year and an increase of 15 percent compared with the previous quarter. Search revenues were the highest so far with organic growth of 29 percent. Management estimates that 60 percent of revenues are generated from regulated markets.
- EBITDA amounted to EUR 8.81 million (4.93) corresponding to an EBITDA margin of 51 percent (46). Adjusted EBITDA excluding non-recurring costs related to the change of listing to Nasdaq Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 9.50 million (5.96) corresponding to an adjusted EBITDA margin of 55 percent (56).
- Operating profit increased to EUR 7.57 million (4.65) corresponding to an operating margin of 44 percent (43). Adjusted operating profit excluding non-recurring costs related to the change of listing to Nasdaq Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 8.25 million (5.68), corresponding to an adjusted operating profit margin of 48 percent (53).
- Earnings per share amounted to EUR 0.103 (0.076) before dilution and earnings per share amounted to EUR 0.101 (0.076) after dilution.
- Record in new depositing customers (NDCs) which totalled 100,741 (56,352), an increase of 79 percent year-on-year and an increase of 10 percent compared to the previous quarter.

61%	55%	100,741
Revenue growth Q3 2017/Q3 2016	**Adjusted EBITDA margin**	**NDCs**

First nine months of 2017

- Revenues totalled EUR 47.59 million (27.76), an increase of 71 percent year-on-year.
- EBITDA increased to EUR 22.30 million (13.59) corresponding to an EBITDA margin of 47 percent (49). Adjusted EBITDA excluding non-recurring costs related to the new bond issue, the change of listing to Nasdaq Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 25.01 million (15.54), corresponding to an adjusted EBITDA margin of 53 percent (56).
- Operating profit increased to EUR 19.60 million (12.90) corresponding to an operating margin of 41 percent (46). Adjusted operating profit excluding non-recurring costs related to the bond issue, the change of listing to Nasdaq Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 22.31 million (14.85), corresponding to an adjusted operating profit margin of 47 percent (53).
- Earnings per share amounted to EUR 0.289 (0.240) before dilution and earnings per share amounted to EUR 0.283 (0.239) after dilution.
- NDCs totalled 272,384 (137,610), an increase of 98 percent year-on-year.

Significant events during the third quarter

- In July 2017, Catena Media acquired the award-winning sports affiliate Bettingpro.com thus continuing to grow its sports betting segment. Bettingpro.com is a highly-regarded publisher of sports news, tips and betting advice with a focus on acquiring leads for regulated UK and Australian gaming operators. The acquired assets are expected to generate quarterly sales of approximately EUR 1.20 million and a pre-tax margin of about 55 percent. A large majority of the revenues are derived from licensed operators in regulated markets, which is a focus area for Catena Media. The consideration for the assets amounted to GBP 13.90 million, of which GBP 11.9 million was settled during the third quarter at takeover, while GBP 2 million will be paid 6 months after completion, conditional on a successful handover of the assets.

- In September 2017, Catena Media made the official move to Nasdaq Stockholm's main market (Mid-Cap). Previously, the stock was traded on Nasdaq First North Premier. The first day of trading for the Company's shares on Nasdaq Stockholm was on 4 September 2017 and the last day of trading on Nasdaq First North Premier was on 1 September 2017.

- On 19 September 2017, Catena Media has acquired a Japanese affiliate and its related websites and assets, thereby continuing to strengthen its position in Asia. The acquired assets are some of the highest ranked casino websites in Japan. The purchase price amounted to USD 5.5 million of which USD 4 million will be paid upon transferring of the assets, and USD 1.5 million will be paid six months after completion of the transaction. The acquired assets currently generate quarterly sales of approximately EUR 0.35 million and a pre-tax margin of about 80 percent. Furthermore, Catena Media will integrate its current Japanese domains into the newly acquired business, and thereby secure access to unique and valuable expertise.

- Also in September 2017, Catena Media has recruited Åsa Hillsten as new Head of IR & Communications. Åsa joins from Collector Bank, where she has worked for the last six years, and has extensive experience within communications and IR for growth companies. In her new role, she will be responsible for Catena Media's external and internal communication and she will be a strong addition to the Catena Media management team. Åsa will take up employment in January 2018.

Significant events during the first six months

- In January, Catena Media continued to strengthen the management team through recruitment in a number of key positions. Johannes Bergh was appointed as Chief Operating Officer (COO) whilst Claes Wenthzel was recruited as the new Group Chief Financial Officer (CFO). Claes Wenthzel has extensive experience as CFO at several listed companies.

- In January, 440,669 new shares in the Parent Company were issued to be utilised as part settlement of the upfront payment for the US asset acquisition, where revenue and expenses are reflected from January 16, 2017.

- In February, Catena Media acquired the assets of the Swedish focused casino affiliate, Slotsia.com. The purchase price comprised of a first instalment of EUR 3.58 million. Additional earn-out payments can amount to a maximum of EUR 5 million, and are based on revenue performance over a period of 2 years.

- In March 2017, Catena Media secured a long-term partnership with SBAT founder Gary Gillis whereby the earn-out arrangement under his original acquisition agreement was amended and replaced by an immediate and final payment of EUR 3.25 million as settlement for the asset acquisition. Following the amendment to the acquisition agreement, the SBAT founder entered into an employment agreement with Catena Media.

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

Significant events after the reporting period

- On 3 October 2017, the Board of Catena Media plc appointed Henrik Persson Ekdahl as acting CEO in Robert Andersson's stead. The board of directors initiated the CEO change in order to further develop the company's strategy with a focus on profitable growth and to maximise shareholder value. Henrik Persson Ekdahl is a member of the board of directors of Catena Media plc and also partner in Optimizer Invest Limited, the largest shareholder of Catena Media.
- On 19 October 2017, Catena Media announced further expansion into new markets and the development of existing products. JohnSlots.com has been launched in Germany and the UK, and AskGamblers launched in Germany and Italy. The technological offering of Newcasinos.com, acquired earlier in 2017 and specialising in reviews and ratings of new online casinos, has been enhanced, enabling faster rating of online casinos.
- On 30 October 2017, Governor Tom Wolf signed the bill H 271 approving to regulate online gambling in Pennsylvania. Pennsylvania becomes the fourth US state to legalize online gambling together with New Jersey, Nevada and Delaware. The enactment of the bill is expected to have a positive effect on the results of Catena Media following the successful launch of existing products in this state.
- On 31 October 2017, the acquisition of Pokerscout.com was completed. PokerScout is the undisputed leader for tracking activity across the online poker industry. As one of the most iconic brands in the online poker industry, PokerScout will contribute significantly to Catena Media's brand-first strategy in the US and global markets. Catena Media's resources will lend critical support to the usability and visibility of PokerScout as the site continues to grow.

Consolidated key data and ratios

Some financial measures presented in this interim report are not defined by IFRS. These measures will provide valuable additional information to investors and management for evaluating the financial performance and position of Catena Media. These measures, as defined on pages 27 to 28 of this report, will not necessarily be comparable to similarly titled measures in other companies' reports. These non-IFRS measures should not be considered as substitutes to financial reporting measures prepared in accordance with IFRS. The alternative performance measures reported in the following tables are not defined by IFRS.

Group	Jul -Sep 2017	Jul - Sep 2016	Jan - Sep 2017	Jan - Sep 2016	Jan - Dec 2016
Financial measures defined by IFRS:					
Operating revenues (€ '000)	17,262	10,726	47,588	27,763	40,049
Earnings per share before dilution (€)	0.103	0.076	0.289	0.240	0.319
Earnings per share after dilution (€)	0.101	0.076	0.283	0.239	0.313
Weighted average number of outstanding shares at periods end before dilution ('000)	51,979	51,445	51,887	50,330	50,611
Weighted average number of outstanding shares at periods end after dilution ('000)	53,059	51,621	53,000	50,506	51,564
Alternative Performance Measures:					
Operating profit (€ '000)	7,569	4,645	19,596	12,899	18,646
Operating profit margin (%)	44	43	41	46	47
Adjusted operating profit (€ '000)*	8,254	5,683	22,305	14,852	21,027
Adjusted operating profit margin (%)*	48	53	47	53	53
EBITDA (€)	8,811	4,926	22,299	13,587	19,683
EBIDTA margin (%)	51	46	47	49	49
Adjusted EBIDTA (€ '000)	9,496	5,964	25,008	15,540	22,064
Adjusted EBIDTA margin (%)*	55	56	53	56	55
Effective tax rate (%)	8.9	10.4	8.2	7.6	7.8
NDC ('000)	101	56	273	138	205
Average shareholders' equity, last 12 months	61,789	32,218	61,789	32,218	41,800
Return on equity, rolling 12 months (%)	31	46	31	46	39
Equity to asset ratio (%)	33	41	33	41	39
Quick ratio (%)	152	460	152	460	249
Net interest-bearing liabilities (NIBL) (€ '000)	70,492	(2,285)	70,492	(2,285)	5,287
NIBL/EBITDA multiple	2.48	(0.14)	2.48	(0.14)	0.27
Net debt/equity ratio multiple	1.99	1.46	1.99	1.46	1.55
Equity per share before dilution (€)	1.424	0.967	1.427	0.989	1.064
Equity per share after dilution (€)	1.395	0.964	1.397	0.985	1.044
Average number of employees	239	135	233	117	139
Employees at period's end	245	152	245	152	190

**Adjusted for non-recurring costs of EUR 0.69 million (1.04) in Q3 2017 of which EUR 0.25 million relate to the change of listing on Nasdaq Stockholm and EUR 0.44 million related to reorganisation costs. Total IPO and bond costs for the first nine months of 2017 amounted to EUR 2.27 million (1.95) and reorganisation costs amounted to EUR 0.44 million (nil). Total IPO and bond costs for the year ended 31 December 2016 amounted to EUR 2.38 million, whilst reorganisation costs were nil.*

Q3 comments from Henrik Persson Ekdahl, Acting CEO

Best quarter ever

Q3 2017 was Catena Media's most successful quarter to date. Our revenue, which totalled EUR 17.26 million, corresponded to year-on-year revenue growth of 61 percent. Organic growth, excluding paid revenue, quarter-on-quarter was 29.3 percent and 28.9 percent for the first 9 months of 2017 compared to the corresponding period in the prior year. Moreover, adjusted EBITDA was at an all-time-high of EUR 9.5 million, corresponding to a margin of 55 percent.

Our key growth indicator is the number of NDCs, in other words, the delivery of new customers to our business partners. For the first time we have delivered a six-digit number, with a total of 100,741, a 10 percent increase compared with Q2 and up 79 percent year-on-year. The strong growth in NDCs demonstrates the success of our business model.

Listing change to Nasdaq Stockholm's main market

In Q3, the process of moving the company's shares from Nasdaq First North to Nasdaq Stockholm was completed and on 4 September, the shares started trading on the Mid-Cap list. As a result of this move, we have secured a good platform for the company and for our shareholders for further expansion.

Continued focus on product innovation

The quarter saw the launch of the AskFans YouTube channel, which is a program format adapted for the English Premier League, as well as an internal version of the popular "Dragons' Den" program in which the winner will develop his or her idea for launch in 2018. We have also updated the content on the sports betting site Livebetting.se together with the Swedish sports personality Sladjan Osmanagic.

New markets

In Q3, we completed the acquisition of Caledonian Publishing, thereby capturing a foothold in the regulated Australian sports market. Furthermore, Casinoonline.jp was acquired, which established Catena Media as a key player in the fast-growing Japanese casino market. The Tokyo office will act as a platform for further expansion in Asia. Also, during Q4 John Slots was launched in Germany and AskGamblers was launched in Italy and Germany.

Outlook

Casino and sport both performed strongly in Q3 and this trend appears to continue through Q4. Preparations ahead of the 2018 Winter Olympics and the FIFA World Cup are in full swing. We are expectant and optimistic about our strategic, operational and financial performance, and we eagerly anticipate the new, forthcoming challenges that await.

One of the opportunities for 2018 is the opening of Pennsylvania as a regulated state for online gambling. On 25 October the senate approved the bill, followed by the house on the 26 October and the final signing by the governor took place on the 30 October. Catena Media expect a gradual development of the Pennsylvania business and to be live within 9-12 months. Catena Media has very strong domains like PlayUSA.com, PlayPennsylvania.com and USPoker.com.

Henrik Persson Ekdahl, Acting CEO

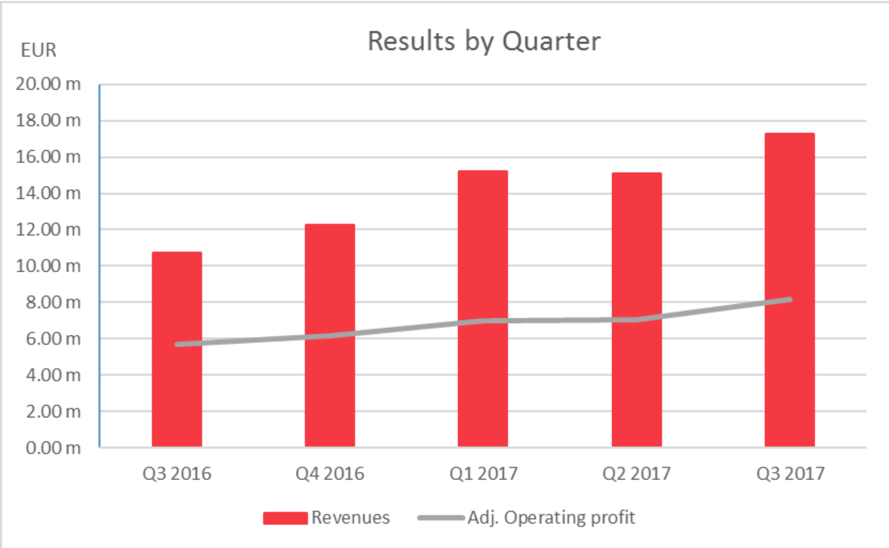
Financial performance during the third quarter of 2017

REVENUES

The Group's revenues totalled EUR 17.26 million (10.73) in the third quarter, corresponding to a year-on-year increase of 61 percent.

Search revenue represented EUR 14.48 million (7.89) of total revenue. The increase in search revenue was driven in part by organic growth and in part through acquisitions made. Paid revenue amounted to EUR 2.78 million (2.84). This revenue is principally related to pay-per-click (PPC) traffic.

The organic growth excluding paid revenue increased by 29.3 percent in the quarter compared with the corresponding quarter in 2016.



EXPENSES

Operating expenses amounted to EUR 9.69 million (6.08). Direct costs related to paid revenue represented a significant expense component and amounted to EUR 1.97 million (2.03). These costs predominantly related to AdWords (Google spend) costs and similar costs.

Personnel expenses amounted to EUR 3.02 million (1.59). The increase in personnel expenses was due to the recruitment of additional members of management and other employees across the organisation, which was driven by the strong growth being experienced by the Group. The headcount totalled 245 employees at the close of the third quarter of this year compared to the 152 employees at the close of the same quarter in 2016. The increase in headcount gave rise to corresponding increases in operational expenses such as software charges, licenses and recruitment fees, amongst others. Another contributing factor to the increase in costs is the new head office in Malta. Other operating expenses amounted to EUR 2.78 million (1.14).

Depreciation and amortisation amounted to EUR 1.24 million (0.28). The increase in depreciation and amortisation was mainly attributable to the acquisition of competitor player databases during the current and prior periods and capital expenditure related to the new head office in Malta.

Non-recurring costs relating to the listing on Nasdaq Stockholm amounted to EUR 0.25 million (0.04), while reorganisation costs amounted to EUR 0.44 million (nil).

Financial performance during the third quarter of 2017 - continued

EARNINGS
Operating profit for the third quarter of 2017 amounted to EUR 7.57 million (4.65), an increase of 63 percent compared to the corresponding quarter of the previous year. Operating profit for the third quarter of 2017 included non-recurring costs of EUR 0.69 million (1.04) relating to the change of listing on Nasdaq Stockholm and reorganisation costs. Adjusted operating profit amounted to EUR 8.25 million (5.68), corresponding to an adjusted operating profit margin of 48 percent (53). The decrease in operating margin was a result of the strategy to change the revenue model by increasing revenue share arrangements.

Profit before tax amounted to EUR 5.88 million (4.37), an increase of 35 percent year on year.

Profit for the period amounted to EUR 5.36 million (3.90). Earnings per share amounted to EUR 0.103 (0.076).

For the quarter ended 30 September 2017, the Group had an effective tax rate of 8.85 percent (10.36).

INVESTMENTS
Investments in intangible assets, which consist of player databases, websites and domains, amounted to EUR 5.36 million (5.22) during the quarter. Development of websites and other applications amounted to EUR 0.44 million (0.02).

Acquisitions of property, plant and equipment amounted to EUR 2.36 million (0.05).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Operating cash flow
Cash flow from operating activities before changes in working capital amounted to EUR 8.94 million (4.89) for the quarter. Depreciation and amortisation charges amounted to EUR 1.24 million (0.28). Interest expense related to the bond amounted to EUR 1.71 million (0.13) and the notional interest charge on contingent considerations amounted to EUR 0.59 million (nil). Net gains on financial liabilities measured at fair value through profit or loss arising on the bond amounted to EUR 0.25 million while the amount for the same quarter in 2016 was a loss of EUR 0.13 million. Share based payments of EUR 0.29 million include the cost associated with the accelerated vesting of share options still held by individuals that are no longer employed with Catena Media. Net cash generated from operating activities, excluding the increase in short-term earn-out liabilities relating to recent acquisitions, amounted to EUR 10.43 million (4.38).

Investing activities
Cash flows used in investing activities amounted to EUR 29.65 million (6.60) and primarily related to the settlement of intangible assets during the quarter. Other cash outflows during the quarter related to the acquisition of property, plant and equipment amounting to EUR 2.01 million (0.13), primarily relating to the new Malta headquarters.

Financing activities
Cash flows used in financing activities amounted to EUR 1.76 million (nil) relating to interest paid on the bond. During the corresponding quarter in 2016, cash flow from financing activities amounted to EUR 49.10 million, which related to the proceeds from the first bond issue.

Cash and cash equivalents at the end of the quarter amounted to EUR 29.51 million (52.29).

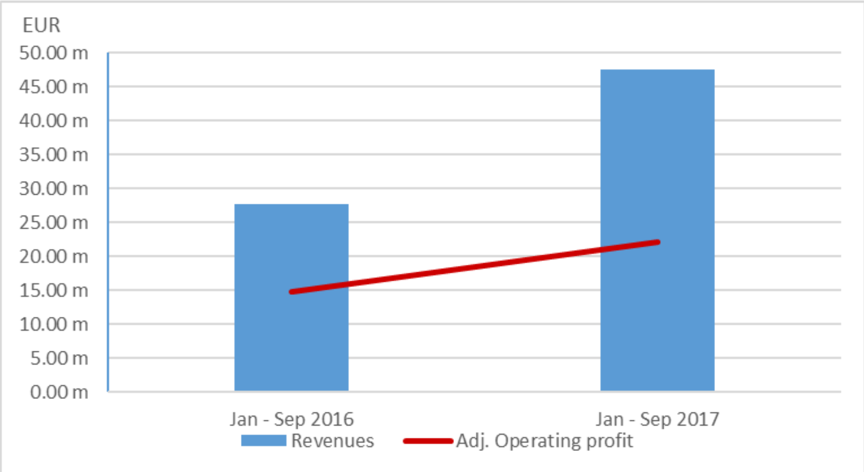
Financial performance during the first nine months of 2017

REVENUES

The Group's revenue totalled EUR 47.59 million (27.76) in the first nine months of 2017, corresponding to a year on year increase of 71 percent.

Search revenue represented EUR 36.94 million (20.64) of total revenue. The increase in search revenue was driven in part by organic growth and in part through acquisitions made. Paid revenue amounted to EUR 9.59 million (7.12). This revenue is principally related to pay-per-click (PPC) traffic. Other operating income of EUR 1.06 million (nil) related to one-off compensation for loss of revenue received from a partner in relation to PPC traffic during the first and second quarters of 2017.

The organic growth excluding paid revenue increased by 28.9 percent during the period compared with the corresponding period in 2016.



EXPENSES

Operating expenses amounted to EUR 27.99 million (14.86). Direct costs related to paid revenue represented a significant expense component and amounted to EUR 6.86 million (4.98). These costs predominantly related to AdWords (Google spend) costs and similar costs.

Personnel expenses amounted to EUR 8.96 million (4.07). The increase in personnel expenses was due to the recruitment of additional members of top and middle management and other employees across the organisation, which was driven by the strong growth being experienced by the Group. The headcount totalled 245 employees at the close of the third quarter of this year, compared to the 152 employees at the close of the corresponding quarter in 2016. The increase in headcount gave rise to corresponding increases in operational expenses such as software charges, licenses and recruitment fees, amongst others. Another contributing factor to the increase in costs is the new head office in Malta. Other operating expenses amounted to EUR 6.76 million (3.17).

Depreciation and amortisation amounted to EUR 2.70 million (0.69). The increase in depreciation and amortisation was mainly attributable to the acquisition of competitor player databases during the current and prior periods and capital expenditure related to the new head office in Malta.

Non-recurring costs relating to the bond issue amounted to EUR 1.00 million (1.00), costs relating to the listing on Nasdaq Stockholm amounted to EUR 1.27 million (0.95), whilst reorganisation costs amounted to EUR 0.44 million (nil).

Financial performance during the first nine months of 2017 - continued

EARNINGS

Operating profit for the first nine months of 2017 amounted to EUR 19.60 million (12.90), an increase of 52 percent compared with the corresponding period of the previous year. Operating profit for first nine months of 2017 included non-recurring costs related to the bond issue, the change of listing on Nasdaq Stockholm and reorganisation costs of EUR 2.71 million (1.95). Adjusted operating profit amounted to EUR 22.31 million (14.85), corresponding to an adjusted operating profit margin of 47 percent (53). The decrease in operating margin was a result of the strategy to change the revenue model by increasing revenue share arrangements.

Profit before tax amounted to EUR 16.32 million (13.07), an increase of 25 percent year-on-year.

Profit for the period amounted to EUR 14.99 million (12.08). Earnings per share amounted to EUR 0.289 (0.240).

For the period ended 30 September 2017, the Group had an effective tax rate of 8.16 percent (7.57).

INVESTMENTS

Investments in intangible assets, which consist of player databases, websites and domains, amounted to EUR 95.14 million (37.72) during the first nine months, net of an adjustment to previously recognised contingent considerations of EUR 11.36 million (nil) as a result of changes in estimates. Development of websites and other applications amounted to EUR 1.93 million (0.02).

Acquisitions of property, plant and equipment amounted to EUR 2.72 million (0.29).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Operating cash flow

Cash flow from operating activities before changes in working capital amounted to EUR 22.13 million (13.71) for the period. Depreciation and amortisation charges amounted to EUR 2.70 million (0.69). Interest expense related to the bond amounted to EUR 3.57 million (0.13) and the notional interest charge on contingent considerations amounted to EUR 1.61 million (nil). Net losses on financial liabilities measured at fair value through profit or loss arising on the bond amounted to EUR 0.52 million (0.13). Share based payments of EUR 0.46 million include the cost associated with the accelerated vesting of share options still held by individuals that are no longer employed with Catena Media. Net cash generated from operating activities, excluding the increase in short-term earn-out liabilities relating to recent acquisitions, amounted to EUR 16.91 million (7.52).

Investing activities

Cash flows used in investing activities of EUR 76.03 million (30.41) were related to the settlement of intangible assets during the period. Other cash outflows during the period related to the acquisition of property, plant and equipment primarily related to the new Malta headquarters and acquisition of other investments amounting to EUR 2.63 million (0.29) and EUR 0.59 million (nil) respectively.

Financing activities

Cash flows from financing activities amounted to EUR 46.56 million (73.31) and comprised the proceeds received from the new bond issue of EUR 50.05 million (49.10), net of interest payable on the bond of EUR 3.49 million (nil). In the comparative period, other cash flows from financing activities related to proceeds received on the issuance of share capital.

Cash and cash equivalents at the end of the period amounted to EUR 29.51 million (52.29).

The Catena Media shares

On 11 February 2016, Catena Media plc was listed on Nasdaq First North Premier, Stockholm, under the trading symbol 'CTM'. On 4 September 2017, Catena Media plc made the official move to Nasdaq Stockholm's main market. The shares will be traded under the same ticker (CTM) and with the same ISIN code (MT0001000109) as before.

Further information about the listing is available in the prospectus, which is available on the Company's website at https://www.catenamedia.com/investors/prospectus.

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

Ownership structure

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

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

Other

PARENT COMPANY

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

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

There were no IPO costs nor any transaction costs related to the bond issue in the Parent Company for the third quarter of 2017, whilst an amount of EUR 0.90 million was reported in the third quarter of 2016. Bond finance costs amounted to EUR 1.71 million (0.13) during the third quarter and EUR 3.57 million (0.13) during the first nine months of 2017. Bond finance costs are classified in "Interest payable on borrowings". The fair value gain on the bond in the third quarter of 2017 amounted to EUR 0.25 million whilst the corresponding amount for the same quarter in 2016 was a loss of EUR 0.13. The fair value loss on the bond during the first nine months of 2017 amounted to EUR 0.52 million (0.13). The fair value movement is classified in "Other gains/(losses) on financial liability at fair value through profit or loss".

During the third quarter of 2017, personnel expenses amounted to EUR 0.06 million (0.04), while other operating expenses amounted to EUR 0.06 million (0.05). Personnel expenses for the period ended 30 September 2017 amounted to EUR 0.23 million (0.09), while other operating expenses amounted to EUR 0.18 million (0.08).

The loss for the third quarter of 2017 amounted to EUR 1.61 million (1.23). Loss for the period ended 30 September 2017 amounted to EUR 2.11 million, whilst loss for the comparative period amounted to EUR 0.85 million.

The Parent Company's cash and cash equivalents amounted to EUR 9.60 million (49.48) and borrowings, which are recognised at fair value through profit and loss, comprised the bond amounting to EUR 102.00 million (50.13). Equity amounted to EUR 28.15 million (26.49) at the end of the period.

EMPLOYEES

The Group's total number of employees at 30 September 2017 amounted to 245 (152), of which 88 (58) were women and 157 (94) were men. Expressed as percentages, women represented 36 percent (43) of the total number of employees whilst men represented 64 percent (57). All employees are employed on a full-time basis.

SIGNIFICANT RISKS AND UNCERTAINTIES

Although the Group does not conduct any online gambling operations, the Group is dependent on the online gambling industry which comprises the majority of its customers. The laws and regulations surrounding the online gambling industry are complex, constantly evolving and in some cases also subject to uncertainty, and in many countries online gambling is prohibited and/or restricted. If enforcement or other regulatory actions are brought against any of the online gambling operators, which are also the Group's customers, whether current or future, the Group's revenue streams from such customers may be adversely affected. Furthermore, the authority concerned may also claim that the same or similar actions should be brought against any third party having promoted the business of such online gambling operator, including the Group. Accordingly, any such event, including future changes to laws and regulations, could have a material adverse effect on the Group's business, financial condition and results of operations. To manage this risk, the Group is active in regulated and unregulated markets and Catena Media's customer base is very diverse.

Another risk faced by the Group relates to its reliance on its customers when determining the fees to be invoiced by the Group to its customers. Once a player directed by the Group has registered with one of its customers, the Group has no direct insight into the activities of such a player. Although the Group may request access to the net revenue calculations upon which the Group's fees are determined, there remains a risk of miscalculation, including fraudulent or negligent calculations made by its customers or as a result of human error. If such miscalculations occur without being detected and subsequently remedied or retroactively adjusted, the Group could receive a lower fee than it is entitled to under its customer agreements, which in turn would result in less revenue. Accordingly, any such miscalculation could have an adverse effect on the Group's business, financial condition and results of operations.

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

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

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

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

Malta, 7 November 2017

KATHRYN MOORE BAKER
Chairman of the Board

HENRIK PERSSON EKDAHL
Board Member/CEO

MATS ALDERS
Board Member

ANDRE LAVOLD
Board Member

ANDERS BRANDT
Board Member

MATHIAS HERMANSSON
Board Member

Registered office
Quantum Place,
Triq ix-Xatt
Ta' Xbiex
Gzira, Malta

Financial calendar

2017 Year-end report	7 February 2018
AGM	26 April 2018
Q1 interim report 2018	4 May 2018
Q2 interim report 2018	10 August 2018
Q3 interim report 2018	6 November 2018

Contact details

Henrik Persson Ekdahl	CEO	+46706914343
Anne Rhenman	Head of IR and Communications	+35699368218

anne.rhenman@catenamedia.com

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 (the “Group”) as of 30 September 2017 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 these condensed consolidated interim financial statements 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 these condensed consolidated interim financial statements 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 statements 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 statements are not prepared in all material respects in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’.

PricewaterhouseCoopers

78 Mill Street
Qormi
Malta

Romina Soler
Partner

7 November 2017

Condensed consolidated interim statements of comprehensive income

Group	Notes	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan - Dec 2016
		€ '000	€ '000	**€ '000**	€ '000	€ '000
Revenue	3	**17,262**	10,726	**46,528**	27,763	40,049
Other operating income	4	**-**	-	**1,060**	-	-
Total revenue		**17,262**	10,726	**47,588**	27,763	40,049
Direct costs related to Paid revenue		**(1,973)**	(2,031)	**(6,856)**	(4,976)	(7,209)
Personnel expenses		**(3,018)**	(1,594)	**(8,961)**	(4,074)	(6,113)
Depreciation and amortisation		**(1,242)**	(281)	**(2,703)**	(688)	(1,037)
Non-recurring costs:	5					
IPO and bond related costs		**(249)**	(1,038)	**(2,273)**	(1,952)	(2,381)
Reorganisation costs		**(436)**	-	**(436)**	-	-
Other operating expenses		**(2,775)**	(1,137)	**(6,763)**	(3,174)	(4,663)
Total operating expenses		**(9,693)**	(6,081)	**(27,992)**	(14,864)	(21,403)
Operating profit		**7,569**	4,645	**19,596**	12,899	18,646
Interest payable on borrowings		**(1,717)**	(130)	**(3,573)**	(130)	(1,081)
Other gains/(losses) on financial liability at fair value through profit or loss		**250**	(125)	**(519)**	(125)	(500)
Finance costs		**(589)**	(19)	**(1,602)**	(19)	-
Finance income		**366**	-	**2,419**	444	444
Profit before tax		**5,879**	4,371	**16,321**	13,069	17,509
Tax expense		**(520)**	(453)	**(1,332)**	(989)	(1,367)
Profit for the period / year		**5,359**	3,918	**14,989**	12,080	16,142
Other comprehensive income						
Currency translation differences		**1**	(20)	**161**	(43)	(79)
Profit for the period / year - total comprehensive income		**5,360**	3,898	**15,150**	12,037	16,063
Earnings per share attributable to the equity holders of the parent during the period/year (expressed in Euro per share):						
Basic earnings per share						
From continuing operations		**0.103**	0.076	**0.289**	0.240	0.319
From profit for the period / year		**0.103**	0.076	**0.289**	0.240	0.319
Diluted earnings per share						
From continuing operations		**0.101**	0.076	**0.283**	0.239	0.313
From profit for the period / year		**0.101**	0.076	**0.283**	0.239	0.313

The notes on pages 20 to 24 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of financial position

Group	Notes	30 Sep 2017	30 Sep 2016	31 Dec 2016
		€ '000	€ '000	€ '000
ASSETS				
Non-current assets				
Goodwill		**7,333**	7,333	7,333
Other intangible assets	6	**165,829**	51,481	71,168
Property, plant and equipment		**3,178**	657	766
Other investments	7	**589**	-	-
Total non-current assets		**176,929**	59,471	79,267
Current assets				
Trade and other receivables		**12,481**	9,611	11,765
Current tax asset		**1,085**	-	-
Deferred tax assets		**1,265**	1,142	1,397
Cash and cash equivalents		**29,508**	52,285	44,713
Total current assets		**44,339**	63,038	57,875
Total assets		**221,268**	122,509	137,142
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		**78**	77	77
Share premium		**30,256**	25,741	25,741
Other reserves		**6,073**	5,365	5,378
Retained earnings		**37,628**	18,577	22,639
Total equity		**74,035**	49,760	53,835
Liabilities				
Non-current liabilities				
Borrowings	8	**102,000**	50,125	50,500
Amounts committed on acquisition	9	**13,067**	5,665	6,195
Deferred tax liabilities		**4,176**	1,651	2,171
Total non-current liabilities		**119,243**	57,441	58,866
Current liabilities				
Amounts committed on acquisition	9	**23,876**	11,831	20,741
Trade and other payables		**3,361**	1,631	1,739
Current tax liabilities		**753**	1,846	1,961
Total current liabilities		**27,990**	15,308	24,441
Total liabilities		**147,233**	72,749	83,307
Total equity and liabilities		**221,268**	122,509	137,142

The notes on pages 20 to 24 are an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements on pages 14 to 24 were authorised for issue by the Board on 7 November 2017 and were signed on its behalf by:

Kathryn Moore Baker
Chairperson

Henrik Persson Ekdahl
Director

Condensed consolidated interim statements of changes in equity

Group	Share capital € '000	Share premium € '000	Other reserves € '000	Retained earnings € '000	Total equity € '000
	Attributable to owners of the parent				
Balance at 1 January 2017	77	25,741	5,378	22,639	53,835
Comprehensive income					
Profit for the period	-	-	-	14,989	14,989
Foreign currency translation movement	-	-	161	-	161
Total comprehensive income for the period	-	-	161	14,989	15,150
Transactions with owners					
Issue of share capital	1	4,515	-	-	4,516
Equity-settled share-based payments	-	-	534	-	534
Total transactions with owners	1	4,515	534	-	5,050
Balance at 30 September 2017	**78**	**30,256**	**6,073**	**37,628**	**74,035**

The notes on pages 20 to 24 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of changes in equity - continued

Group	Share capital € '000	Share premium € '000	Other reserves € '000	Retained earnings € '000	Total equity € '000
	Attributable to owners of the parent				
Balance at 1 January 2016	66	1,000	5,073	6,497	12,636
Comprehensive income					
Profit for the period	-	-	-	12,080	12,080
Foreign currency translation movement	-	-	(43)	-	(43)
Total comprehensive income for the period	-	-	(43)	12,080	12,037
Transactions with owners					
Issue of share capital	11	24,741	-	-	24,752
Equity-settled share-based payments	-	-	99	-	99
Capital contribution	-	-	236	-	236
Total transactions with owners	11	24,741	335	-	25,087
Balance at 30 September 2016	77	25,741	5,365	18,577	49,760

The notes on pages 20 to 24 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of changes in equity - continued

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

The notes on pages 20 to 24 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of cash flows

Group	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
	€ '000	€ '000	**€ '000**	€ '000	**€ '000**
Cash flows from operating activities					
Profit before tax	**5,879**	4,371	**16,321**	13,069	17,509
Adjustments for:					
Depreciation and amortisation	**1,242**	281	**2,703**	688	1,037
Impairment of receivables	-	-	-	89	89
Unrealised exchange differences	**(529)**	(54)	**(3,047)**	(498)	(553)
Interest expense	**2,306**	132	**5,175**	132	1,015
Net (gains)/losses on financial liability at fair value through profit or loss	**(250)**	125	**519**	125	500
Share based payments	**290**	34	**455**	99	148
	8,938	4,889	**22,126**	13,704	19,745
Taxation paid	-	-	**(1,430)**	(811)	(811)
Changes in:					
Trade and other receivables	**1,217**	(1,520)	**(2,116)**	(5,405)	(7,560)
Trade and other payables	**273**	1,006	**(1,672)**	33	(306)
Net cash generated from operating activities	**10,428**	4,375	**16,907**	7,521	11,068
Cash flows used in investing activities					
Acquisition of property, plant and equipment	**(2,011)**	(129)	**(2,628)**	(286)	(408)
Acquisition of intangible assets	**(27,641)**	(6,469)	**(76,029)**	(30,414)	(40,563)
Acquisition of other investments	-	-	**(589)**	-	-
Interest paid	-	(2)	-	(2)	-
Net cash used in investing activities	**(29,652)**	(6,600)	**(79,246)**	(30,702)	(40,971)
Cash flows from financing activities					
Net proceeds received on issuance of share capital	-	-	-	24,208	24,208
Net proceeds on issue of bond	-	49,100	**50,045**	49,100	49,100
Interest paid	**(1,764)**	-	**(3,489)**	-	(873)
Net cash generated from/(used in) financing activities	**(1,764)**	49,100	**46,556**	73,308	72,435
Net movement in cash and cash equivalents	**(20,987)**	46,875	**(15,783)**	50,127	42,532
Cash and cash equivalents at beginning of period / year	**50,713**	5,418	**44,713**	1,529	1,529
Currency translation differences	**(218)**	(8)	**578**	629	652
Cash and cash equivalents at end of period	**29,508**	52,285	**29,508**	52,285	44,713

The notes on pages 20 to 24 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. GENERAL INFORMATION

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

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

2. ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

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

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

A number of new standards, interpretations and changes to published standards will come into force for fiscal years beginning after January 1, 2018 and have not been applied in the preparation of this financial report. The Group has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the Group's directors are of the opinion that, with the possible exception of IFRS 9, IFRS 15 and IFRS 16, there are no requirements that will have a possible significant impact on the Group's financial statements in the period of initial application.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. Amongst others, it replaces the guidance in IAS 39 that relates to the classification and measurement of financial assets and liabilities, impairment and hedge accounting.

For financial assets, IFRS 9 retains but simplifies the mixed measurement model in IAS 39 and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI (FVOCI) and fair value through P&L (FVTPL). Notwithstanding this change, the directors expect that trade and other receivables which are measured at amortised cost under IAS 39, will also continue to be measured at amortised cost. Investments in equity instruments, which for the Group comprise a strategic investment currently classified as an available-for-sale financial asset, are required to be measured at FVTPL unless the entity makes an irrevocable option at inception to present changes in fair value in OCI instead of the income statement.

IFRS 9 also introduces a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. This amendment impacts the Group only to the extent of trade and other receivables, and the directors do not expect a significant impact on the Group as a result of this amendment. The hedge accounting provisions in IFRS 9 will not impact the Group.

2. ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income for liabilities designated at fair value through profit or loss. This may impact the recognition of fair value movements in the Company's bond measured at FVTPL, although the directors do not expect the impact to be material.

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

Catena Media earns commission-based fees that are either revenue share contracts, CPA contracts or a hybrid of these two models. In Catena Media's revenue model, potential players are referred to iGaming operators, and commissions are earned when, and if, the referred players effect deposits or as the case may be, place wagers.

Management has carried out an analysis of Catena Media's customer contracts within the context of IFRS 15 to identify performance obligations present within those contracts. A key component of revenue recognition under IFRS 15 is that in terms of the standard, consideration based on uncertain future outcome is deemed to be variable consideration. The standard requires that variable considerations be estimated, and that estimate is recognised in the statement of comprehensive income as the performance obligation is satisfied. However, the standard also introduces a limitation on the recognition of variable consideration, such that its recognition (based on estimates) is only allowed if it is highly probable that a change in the estimate will not result in a significant reversal of the revenue recognised. The consideration that Catena Media is entitled to is not determinable when a contract is entered into, since its commissions-based fee income is dependent upon volumes of referred players who successfully deposit and/or place wagers; the exact amount of revenue per month is however determinable at each month end.

However, the Catena Media revenue model lends itself to a narrow exception on variable consideration that is applicable in certain instances where revenue generation is outside of the entity's control. IFRS 15 sets out that variable consideration generated from sales- or usage-based royalties on licences of intellectual property the amount of which is dependent on the licensee's sales or usage efforts and therefore unknown until the licensee uses the intellectual property – is only recognised as revenue when there is no longer any variability, i.e. when the sales or usage occur. Under IFRS 15, Catena Media will therefore recognise income from revenue share contracts and CPA contracts at the end of each month, when there is no longer any variability on the consideration. On the basis of the above assessment, the directors have concluded that the effects of the introduction of IFRS 15 will not result in any changes to Catena Media's revenue recognition model and will not have a material effect on the Group's financial statements.

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

Notes to the condensed consolidated interim financial statements - continued

2. ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

As at the reporting date, the Group has non-cancellable operating lease commitments in respect of long-term office leases amounting to EUR 8.77 million. However, the Group has not yet assessed what other adjustments, if any, are necessary for example because of the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

3. REVENUE

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

Group	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan - Dec 2016
	€ '000	€ '000	**€ '000**	€ '000	€ '000
Search revenue	**14,479**	7,883	**36,944**	20,644	29,423
Paid revenue	**2,783**	2,843	**9,584**	7,119	10,626
Total revenue	**17,262**	10,726	**46,528**	27,762	40,049

4. OTHER OPERATING INCOME

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

5. NON-RECURRING COSTS

Non-recurring costs relate to costs which are not deemed to be in the ordinary course of the Catena Media business, including IPO, bond and reorganisation costs. IPO costs, relating to the listing on Nasdaq Stockholm (Mid-Cap), and previously to the listing on First North Premier, and costs relating to the bond issue amounted to EUR 0.25 million (1.04) and EUR 2.27 million (1.95) for the third quarter and the first nine months of 2017 respectively. Reorganisation costs comprise termination benefits and the share option cost subject to an accelerated vesting upon termination of employment amounting to EUR 0.44 million (nil).

6. OTHER INTANGIBLE ASSETS

The Group acquired a number of websites, domains and player databases. Additions during the third quarter of 2017 amounted to EUR 5.36 million (5.22), while additions during the first nine months amounted to EUR 95.14 (37.72). The additions mainly comprised the affiliate assets of JP Casino Online during the third quarter and Slotsia.com, Online Media, NewCasinos.com and Bettingpro.com during the previous quarters of 2017. During the first nine months of 2017, specifically during the second quarter, an adjustment to previously recognised contingent considerations of EUR 11.36 million (nil) was reflected as a result of changes in estimates of the likely outcome of a contingent event. No such adjustments were reflected in the third quarter. Further, development of websites and other applications amounted to EUR 0.44 million (0.02).

7. OTHER INVESTMENTS

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

8. BORROWINGS

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

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

The fair value of the bond, which at the end of the reporting period amounted to EUR 102 million (50.13), was determined by reference to the price quoted on Nasdaq Stockholm website. Accordingly, the bond’s fair value is categorised within the IFRS 13 fair value hierarchy as Level 1.

9. AMOUNTS COMMITTED ON ACQUISITION

Amounts committed on acquisitions consist of contractual obligations upon purchase of intangible assets from third parties. Some of the obligations have a predetermined value, while others include future payments whose value depends on target earnings.

These contingent considerations are measured at fair value and are included in Level 3 of the fair value hierarchy. The fair value is determined on the date of purchase and subsequently, at each reporting date, by calculating the expected cash outflow on each purchase agreement. The expected cash flows are discounted to present value by utilising a discount rate of 6.75 percent, the Company’s borrowing rate. The notional interest charge on the contingent considerations is included in ‘Finance costs’, net of foreign exchange differences.

Expectations of cash out flows are made by the Directors for each asset acquisition on the basis of their knowledge of the industry and how the economic environment is likely to impact it. Amounts committed on acquisition of EUR 32.27 million (9.37) relate to contingent considerations, of which EUR 19.21 million (5.97) is due within twelve months from the end of the quarter. The contingent considerations are net of a fair value adjustment of EUR 3.98 million (nil), of which EUR 1.21 million (nil) is attributable to amounts committed on acquisition due within twelve months from the end of the quarter. The corresponding adjustment impacts the value of the assets acquired as recognized in the statement of financial position.

During the first nine months, amounts committed on acquisition relating to contingent considerations have been adjusted by an amount of EUR 11.36 million to reflect a change in estimates (refer to Note 6). No adjustments were made during the third quarter.

The maximum potential undiscounted amount that the Group may be required to settle under such contingent consideration arrangements is EUR 66.32 million, of which EUR 32.27 million (17.5) is recognised in the statement of financial position.

10. RELATED PARTY TRANSACTIONS

In view of its shareholding structure, the Group has no ultimate controlling party. All companies forming part of the Group and other entities under common control are considered by the directors to be related parties. The service agreement with Optimizer Invest Limited regarding advice and assistance will expire on 9 November 2017 after a contractual termination period of three months.

The following transactions were carried out with related parties:

Other related party transactions	**Jul-Sep 2017**	Jul-Sep 2016	**Jan-Sep 2017**	Jan-Sep 2016	**Jan-Dec 2016**
	€ '000	€ '000	**€ '000**	€ '000	€ '000
Purchases of services:					
Entities with significant shareholding *	**795**	535	**2,082**	3,761	1,369

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

Condensed Parent Company interim statements of income and other comprehensive income

	Jul-Sep 2017	Jul-Sep 2016	Jan-Sep 2017	Jan-Sep 2016	Jan-Dec 2016
	€ '000	€ '000	**€ '000**	€ '000	€ '000
Investment and related income	**-**	-	**4,746**	-	-
Personnel expenses	**(63)**	(40)	**(230)**	(92)	(147)
IPO and bond related costs	**-**	(900)	**(908)**	(918)	(922)
Other operating expenses	**(64)**	(47)	**(176)**	(77)	(127)
Other operating income	**20**	-	**39**	-	-
Total operating expenses	**(107)**	(987)	**(1,275)**	(1,087)	(1,196)
Operating loss	**(107)**	(987)	**3,471**	(1,087)	(1,196)
Interest payable on borrowings	**(1,714)**	(129)	**(3,571)**	(129)	(1,015)
Other gains/(losses) on financial liability at fair value through profit or loss	**250**	(125)	**(519)**	(125)	(500)
Finance costs	**(37)**	(2)	**(230)**	(2)	-
Finance income	**-**	10	**-**	498	539
Loss before tax	**(1,608)**	(1,234)	**(849)**	(845)	(2,172)
Tax expense	**-**	-	**(1,266)**	-	-
Loss for the period - total comprehensive income	**(1,608)**	(1,234)	**(2,115)**	(845)	(2,172)

Condensed Parent Company interim balance sheet

	30-Sep 2017	30-Sep 2016	31-Dec 2016
	€ '000	€ '000	€ '000
ASSETS			
Non-current assets			
Investment in subsidiaries	**669**	166	214
Current assets			
Trade and other receivables	**120,664**	27,099	44,007
Cash and cash equivalents	**9,604**	49,484	31,648
Total current assets	**130,268**	76,583	75,655
Total assets	**130,937**	76,749	75,869
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**78**	77	77
Share premium	**30,787**	26,271	26,271
Other reserves	**991**	409	457
Accumulated losses	**(3,710)**	(269)	(1,596)
Total equity	**28,146**	26,488	25,209
Liabilities			
Non-current liabilities			
Borrowings	**102,000**	50,125	50,500
Total non-current liabilities	**102,000**	50,125	50,500
Current liabilities			
Trade and other payables	**791**	136	160
Total liabilities	**102,791**	50,261	50,660
Total equity and liabilities	**130,937**	76,749	75,689

Definitions of Alternative Performance Measures

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

ATERNATIVE KEY RATIO	DESCRIPTION	SCOPE
ADJUSTED EBITDA	EBITDA adjusted for non-recurring expenses	The Group reports this key ratio because it provides a better understanding of the operating profit than non-adjusted EBITDA, which also provides a more comparable financial measure over time.
ADJUSTED EBITDA MARGIN	Adjusted EBITDA as a percentage of Revenue.	The Group reports this key ratio to show the underlying EBITDA margin before non-recurring costs, which provides a better understanding of EBITDA margin than non-adjusted EBITDA margin, which also provides a more comparable financial measure over time.
ADJUSTED OPERATING MARGIN	Operating margin adjusted for non-recurring expenses.	The Group reports this key ratio so that users of the interim report to monitor the underlying operating margin excluding non-recurring items, which gives a better understanding of performance than non-adjusted operating margin, and results in a more comparable profit measure over time.
ADJUSTED OPERATING PROFIT	Operating profit adjusted for non-recurring expenses	The Group reports this key ratio so that users of the interim report can monitor the underlying operating profit adjusted for non-recurring costs, which results in a more comparable profit measure over time
EBITDA	Operating profit before depreciation and amortisation.	The Group reports this key ratio so that users of the interim report can monitor operating profit and cash flow. This is also used by investors, analysts and the Group's management to evaluate the Group's operational profitability
EBITDA MARGIN	EBITDA as a percentage of revenue	The Group reports this key ratio so that the users of the interim report can monitor the value creation generated by the operation. This is also used by investors, analysts and the Group's management to evaluate the Group's operational profitability
NDC (NEW DEPOSITING CUSTOMERS)	A new customer placing a first deposit on a client's website	The Group reports these key figures since they are the driving key to measure revenues and long-term organic growth.
OPERATINING PROFIT	Profit before financial items and taxes	The Group reports this key ratio so that users of the interim report can monitor the earnings trend of the Group
OPERATING MARGIN	Operating profit as a percentage of revenue.	The Group reports these key figures so that users of the interim report can monitor the earnings trend for the Group
NON-RECURRING COSTS	Costs that are not part of the normal operation of the business	Non-recurring expenses are costs that do not relate to the ongoing operations of the business. Examples include bond issue costs, IPO-costs, including costs associated with the planned change in the listing on Nasdaq Stockholm, as well as reorganisation costs

Definitions of Alternative Performance Measures - continued

ATERNATIVE KEY RATIO	DESCRIPTION	SCOPE
ORGANIC GROWTH	Revenue growth rate including revenue growth in acquired portfolios from date of acquisition	The Group reports these key figures since they are the driving 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 interim report can monitor business growth

Other definitions can be found on Catenamedia.com