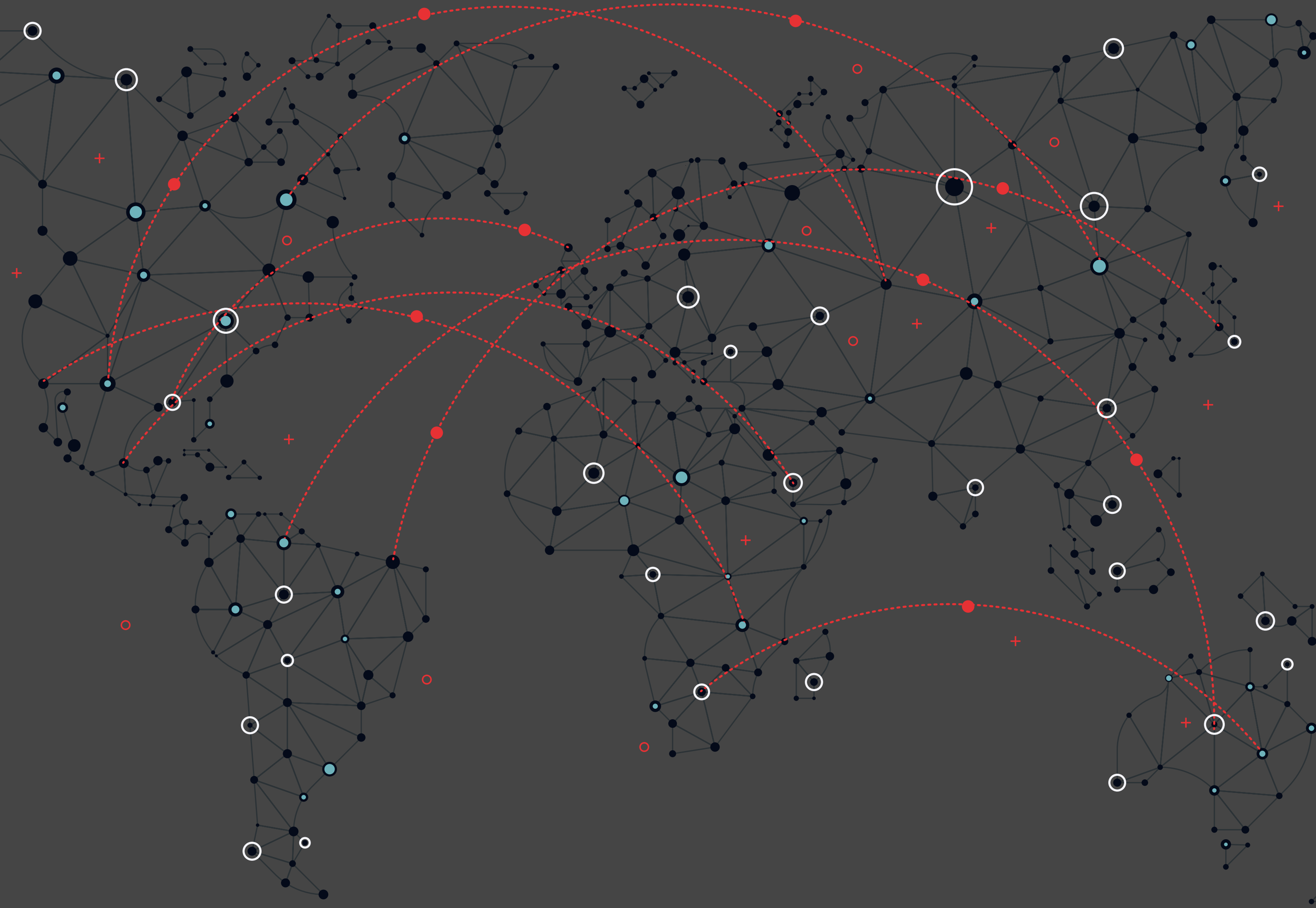


catenamedia

INTERIM REPORT THIRD QUARTER 2019

Corrected version, as of 19 November 2019

Interim Report January – September 2019

JULY – SEPTEMBER 2019 (COMPARED WITH JULY – SEPTEMBER 2018)

- Revenues decreased by 5 percent and totalled EUR 26.4m (27.7)
- EBITDA decreased by 15 percent and totalled EUR 11.4m (13.4), corresponding to an EBITDA margin of 43 percent (48)
- Adjusted EBITDA excluding non-recurring costs decreased by 15 percent and totalled EUR 11.5m (13.6), corresponding to an adjusted EBITDA margin of 44 percent (49)
- Net cash generated from operating activities amounted to EUR 9.1m (10.2)
- New Depositing Customers (NDCs) totalled 99,435 (138,194), a decrease of 28 percent
- Earnings per share amounted to EUR 0.20 (0.15) before dilution
- Earnings per share amounted to EUR 0.19 (0.14) after dilution

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

- Revenues decreased by 2 percent and totalled EUR 76.3m (77.6)
- EBITDA decreased by 11 percent and totalled EUR 32.0m (35.9), corresponding to an EBITDA margin of 42 percent (46)
- Adjusted EBITDA excluding non-recurring costs decreased by 15 percent and totalled EUR 32.2m (38.1), corresponding to an adjusted EBITDA margin of 42 percent (49)
- Net cash generated from operating activities amounted to EUR 28.7m (29.1)
- New Depositing Customers (NDCs) totalled 323,423 (411,670), a decrease of 21 percent
- Earnings per share amounted to EUR 0.36 (0.34) before dilution
- Earnings per share amounted to EUR 0.34 (0.31) after dilution

"After three consecutive quarters of decline, I am happy to announce a trend shift in third-quarter revenues, which increased by +11% compared to the second quarter."

Per Hellberg / CEO

JUL – SEP 2019

-5%

EUR 26.4m

REVENUE GROWTH YOY

JUL – SEP 2019

-15%

EUR 11.5m

ADJUSTED EBITDA GROWTH YOY

JUL – SEP 2019

33%*

EUR 0.20

EPS GROWTH YOY

**The increase in the EPS is primarily driven by the fair value of the bond.*

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- Increased number of shares and votes in Catena Media plc related to the final earn-out payment for US assets acquired in December 2016.
- Catena Media agrees on amended terms for assets in the German sports betting-focused affiliate BayBets Ltd, acquired in December 2017.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Notification of Major Holdings in Catena Media plc. The notification indicates that Swedbank Robur Fonder AB, as of 7 October 2019, holds 4.46 percent of the voting rights in Catena Media plc.
- Catena Media resolves upon a directed new share issue as final payment for an acquisition made in June 2018.
- AskGamblers – a Catena Media core brand – now in Japanese, Spanish and Portuguese.
- Notification of Major Holdings in Catena Media plc. The notification indicates that Bodenholm Capital AB, as of 2 October 2019, holds 15.19 percent of the voting rights in Catena Media plc.

Special events

- **Core brand AskGamblers launched in Japanese, Spanish and Portuguese.**
- **Catena Media's Italian brand Superscommesse won Affiliate of the year at EGR Italy Awards 2019.**
- **Started to drive affiliate traffic for Online Casino in Pennsylvania.**

CATENA MEDIA IN BRIEF

CATENA MEDIA PROVIDES COMPANIES WITH HIGH-QUALITY ONLINE LEAD GENERATION

Through strong organic growth and strategic acquisitions since 2012, Catena Media has established a leading market position with approximately 400 employees in the US, Australia, Japan, Serbia, the UK, Sweden, Italy and Malta (HQ). Total sales in 2018 reached EUR 105m. The company is listed on Nasdaq Stockholm, Mid Cap.

CATENA MEDIA'S BRAND STORY

Catena Media has become the largest lead generator delivering high-value iGaming online customers. In recent years we have achieved unparalleled growth because we have adapted to market developments and user needs, and built a scalable business model and an advanced technology platform. We have carried out several M&As and adapted our organisation for organic growth, through both expertise and resources.

We aim to be the number-one choice within global, innovative, performance-based online marketing, in any business we enter. We will build outstanding relationships and always ensure partner brand growth by providing high-quality, partner-integrated products with superior user experiences.

By focusing on strong brands within Sports Betting, Casino and and Financial Services – moving from M&As to more organic growth – our goal is to become a global business with local presence on all continents.

Catena Media is partner-focused and will continue to deliver high-value users at low risk to growing companies. We are the perfect choice for top management, and specifically for communication managers, fulfilling their need for a strong partner that can show clear return on investment.

In the ever-growing, ever-changing, performance-based marketing business, where technology is constantly developing, regulations changing, competitors merging and personnel moving between organisations, Catena Media aims to be the true leader: setting the benchmark through cutting-edge business intelligence, continuous innovation, quality content, regulatory compliance and social responsibility.

Well-distanced from our competitors, we offer a reliable alternative to traditional media – a smarter branding choice – by providing better, more actionable, ROI-driven content.

Consolidated key data and ratios

In addition to financial measures defined by IFRS, Catena Media presents some alternative performance measures in this interim report that are not defined by IFRS. These alternative performance measures provide valuable additional information to investors and management for evaluating the financial performance and position of Catena Media. These non-IFRS measures, as defined on page 28 of this report, will not necessarily be comparable to similarly titled measures in other companies' reports. Neither should they be considered as substitutes to financial reporting measures prepared in accordance with IFRS. More information, as well as calculations of key ratios, are found at **www.catenamedia.com/investors/key-performance-indicators-definitions**

	Jul–Sep 2019	Jul–Sep 2018	**Jan–Sep 2019**	Jan–Sep 2018	Jan–Dec 2018
Financial measures defined by IFRS					
Operating revenues (EUR '000)	**26,421**	27,675	**76,262**	77,634	104,970
Earnings per share before dilution (EUR)	**0.20**	0.15	**0.36**	0.34	0.56
Earnings per share after dilution (EUR)	**0.19**	0.14	**0.34**	0.31	0.52
Weighted average number of outstanding shares at period's end before dilution (EUR '000)	**58,195**	55,607	**57,208**	54,823	55,128
Weighted average number of outstanding shares at period's end after dilution (EUR '000)*	**61,273**	59,243	**60,286**	58,765	59,590
Alternative Performance Measures					
EBITDA (EUR '000)	**11,398**	13,365	**31,983**	35,876	47,836
EBITDA margin (%)	**43**	48	**42**	46	46
Adjusted EBITDA (EUR '000)	**11,505**	13,589	**32,194**	38,097	50,057
Adjusted EBITDA margin (%)**	**44**	49	**42**	49	48
Effective tax rate (%)	**7.2**	7.6	**5.7**	8.3	7.0
New depositing customers ('000)	**99**	138	**323**	411	539
Average shareholders' equity, last 12 months (EUR '000)	**149,724**	102,897	**149,724**	102,897	116,366
Return on equity, rolling 12 months (%)	**22**	24	**22**	24	26
Equity to assets ratio (%)	**48**	36	**48**	36	37
Quick ratio (%)	**105**	69	**105**	69	51
Net interest-bearing liabilities (NIBL) (EUR '000)	**150,802**	139,396	**150,802**	139,396	136,839
NIBL/EBITDA multiple	**3.43**	3.02	**3.43**	3.02	2.86
NIBL/adjusted EBITDA multiple	**3.42**	2.83	**3.42**	2.83	2.73
Net debt/equity ratio multiple	**1.08**	1.79	**1.08**	1.79	1.67
Equity per share before dilution (EUR)	**3.04**	2.28	**3.09**	2.31	2.53
Equity per share after dilution (EUR)	**2.89**	2.14	**2.93**	2.16	2.38
Average number of employees	**397**	353	**390**	319	332
Employees at period-end/year-end	**402**	353	**402**	353	363
Productivity ratio (EUR '000)	**67**	78	**196**	243	316
Adjusted EBITDA productivity ratio (EUR '000)	**29**	38	**83**	119	151

*Includes the maximum portion of shares that will be issued in settlement of earn-out payments according to the respective agreements.
**Adjusted for non-recurring IPO, bond and credit facility related costs of EUR 0.02m (0.2) and reorganisation costs of EUR 0.1m (nil) in Q3 2019. Non-recurring costs and reorganisation costs for the period ended 30 September 2019 amounted to EUR 0.1m (2.2) and EUR 0.1m (0.1), and EUR 2.2m and EUR 0.1m respectively for the year ended 31 December 2018.

CEO COMMENTS FOR THE THIRD QUARTER 2019

Long-range efforts starting to pay off and pointing in the right direction

After three consecutive quarters of decline, I am happy to announce a trend shift in third-quarter revenues, which increased by +11% compared to the second quarter, making it the third-best quarter in the history of the company. Major growth came from the United States, now representing 17% of our total revenues year to date. Strong performance from our core product AskGamblers and Japan also contributed positively to this quarter's development. The European Casino segment, which has been in decline since the third quarter last year, leveled out this quarter and several products started to show positive growth in traffic and revenues.

AUGUST BEST-EVER FOR ASKGAMBLERS

Due to seasonality, it's unusual for a Casino product to show growth between June and August. So after several traffic improvement activities conducted throughout the spring and summer, we are delighted to announce that AskGamblers achieved its best-ever performance in August. Furthermore, to ensure future growth we recently launched the site in three new languages: Spanish, Portuguese and Japanese. Normally it takes a bit of time for a brand to establish itself in a new language, but even if it's at an early stage, the Japanese site has already shown a positive response, and we expect good continued growth from AskGamblers in 2020.

UNITED STATES - SHOWING STRONG GROWTH

The US market and our revenues continued to grow during the third quarter. The Casino business in New Jersey showed steady growth, and, even though we didn't expect the Sports business to surpass last year's number when online sports betting was launched in that state, we are happy with the development and maintained our good position and high market share there. Pennsylvania went live for online Casino in the third quarter, allowing us to send traffic to operators from day one. With only one operator online in time for the NFL kick-off, the total demand for affiliate traffic was less than originally anticipated, giving us some push on the pricing. As we originally anticipated three or more operators going live from the start, this delayed our growth in Pennsylvania. Considering the slow start with fewer operators online, we are still very satisfied with our market share and revenue development. With more operators live, we are looking forward to a promising development in Pennsylvania. As Indiana also went live recently, our view on the US market remains very positive. With several states expected to go live in 2020 we decided to further increase our investment levels in the US market to allow us to maintain our dominant position for years to come. The investment is mainly focusing on content creation and efficiency improvement, and we expect to continue these investments throughout 2020.

EUROPEAN SPORTS BETTING – STILL CHALLENGING

As reported, the second quarter was challenging for our European Sports betting segment. Even though it is low season for sports in the third quarter, especially compared to last year's FIFA World Cup, we did plan for a recovery. When summarising the third quarter, we weren't successful in doing so in some of our markets.

United Kingdom: We saw our traffic increase during the third quarter, however a rather large portion of that traffic came from consumers who already had an account with our customers, meaning we couldn't charge for them. Due to changes in the Sports Betting market in the UK during the year, we are reworking our product strategy in order to shift this trend and enable further growth from fewer products. Combined with increased cost control, this will support stronger gross margins and is expected to show results during the first half of 2020.

France: Regulatory requirements forced us to split our website into two different sites in order to continue to do business in the French market. As a result, we had to close down our sites for some time, which brought down our revenues. The new sites have been developed and will go live during the fourth quarter.

Italy: The Italian marketing ban entered into force in July and halted business temporarily, but started growing back in August and September. The quarter-to-quarter revenues were down as a result, but we expect the revenue levels to grow back to historical levels during the fourth quarter.

Germany: The German market developed according to our expectations during the third quarter, somewhat slower compared to the second quarter due to the low season in Sports, primarily in football.

FINANCIAL SERVICES

Financial Services has been relatively stable in the third quarter- There is still considerable uncertainty, however, regarding effects on financial markets if and when the UK exits the EU. Lately, operators have increased their focus on their marketing spend in order to reach short-term returns. To meet these new market conditions, we have worked to optimise our user funnel to increase conversions towards operators where we are seeing growth potential. We are also focusing to reduce our cost base in order to further improve the margin during 2020.

SUCCESSFUL INTEGRATION – INCREASED LEVERAGE

During the quarter, we finalised the successful integration of BayBets, one of our largest acquisitions to date. In line with our expectations, settling a big part of the final payment in cash has resulted in an increased debt leverage during the third quarter. We continue to be compliant with our covenants, and are expecting a positive development of that key figure. Remaining asset purchase commitments primarily relate to the final payment of the US acquisitions, where the payments will fall due in the first half of 2020.

HEADING FOR CORE PRODUCT GROWTH AND CONTINUED OPERATIONAL EFFICIENCY

With the European market growing slower than in the past, we have increased our focus on operating those market-dedicated products more efficiently, in order to improve the margins over time. We will continue to increase our investments in products and markets that are in incubation and growth stages to ensure our growth into 2020 and beyond. To conclude, I am satisfied that the work we have conducted over the past nine months, dedicated to quality and efficiency improvements, is starting to pay off, and that we are moving in the right direction. As we are acting in a fast-moving environment, we still have a lot to do, and will continue our improvement journey to enable further growth.

POSITIVE OUTLOOK FOR THE FOURTH QUARTER

With growth supported by our products in the United States, AskGamblers and Japan, I'm confident that the efforts we have taken are pointing us towards a bright future. But first we need to close this year. With the current momentum, the product improvements we have made, together with the market expansion, it looks promising for the fourth quarter.

Per Hellberg, CEO

Financial performance July – September 2019

REVENUES

Total revenues decreased by 5 percent compared to the corresponding period in the previous year and amounted to EUR 26.4m (27.7). Organic growth excluding paid revenue slowed down by 10 percent for the third quarter of 2019 when compared to the third quarter of 2018. During the third quarter search revenue represented EUR 23.1 (23.7), paid revenue EUR 2.8m (3.6) and subscription revenue EUR 0.5m (0.4) of the total revenues. Revenues derived through revenue sharing arrangements comprised 42 percent of total revenues for the quarter, while revenues from cost per acquisition comprised 43 percent, fixed fees comprised 13 percent and subscription revenue comprised 2 percent. During the quarter there was an increase in cost per acquisition due to the growth in the US market, which involved mainly cost per acquisition deals.

Approximately 82 percent of revenues were generated from locally regulated or taxed markets.

EXPENSES

Total operating expenses amounted to EUR 18.7m (16.6).

Direct costs related to paid revenue increased compared to the corresponding period in previous year as a result of an increased spend in Pay-Per-Click (PPC) in the US market.

Personnel costs also increased compared to the corresponding period in the previous year, mainly as a result of an investment in the US market. In fact, personnel costs remained largely in line with the second quarter of this year. This strategic investment will continue to strengthen our margins. Further, other operating expenses have decreased compared to the corresponding quarter in the previous year, as a result of the investment in the Financial Services segment that had impacted this corresponding quarter.

Non-recurring costs of EUR 0.09m during the quarter relate to reorganisation costs, while EUR 0.02m relate to credit facility costs. During the corresponding period the previous year, a multicurrency revolving bank credit facility of EUR 30m with Swedbank was set up. The cost for setting up this credit facility amounted to EUR 0.2m and was classified as a non-recurring cost.

EARNINGS

EBITDA, including non-recurring costs, decreased by 15 percent, amounting to EUR 11.4m (13.4). This corresponds to an EBITDA margin of 43 percent (48). Non-recurring costs incurred during the third quarter of 2019 amounted to EUR 0.1m (0.2). Adjusted EBITDA (excluding non-recurring costs) decreased by 15 percent and amounted to EUR 11.5m (13.6). This corresponds to an adjusted EBITDA margin of 44 percent (49). In comparison to the same period of 2018, the lower margin is mainly a result of higher direct costs and personnel costs, as well as lower revenues.

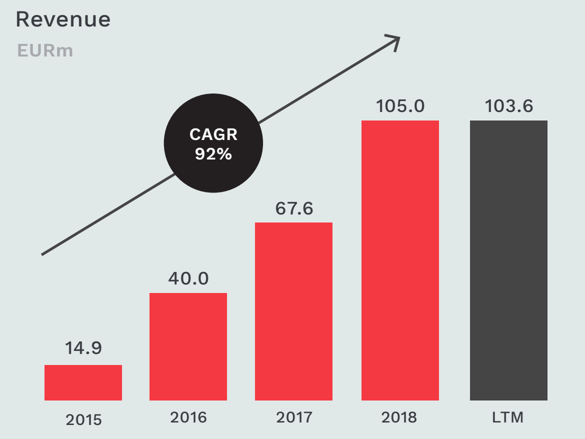
The effective tax rate for the Group amounted to 7.2 percent (7.6), while earnings after tax (EAT) amounted to EUR 11.9m (8.1), an increase of 47 percent year-on-year. Earnings per share (EPS) before dilution increased by 33 percent compared with the third quarter of 2018 and amounted to EUR 0.20 (0.15). Earnings per share (EPS) after dilution amounted to EUR 0.19 (0.14). Earnings per share (EPS) were positively impacted by the fair valuation of the bond. In terms of IFRS, the dilution presumes that the earn-outs will be settled with the maximum portion of shares according to the agreement. However, the portion that will be paid in shares or cash is decided by Catena Media, and may vary for each payment.

INVESTMENTS

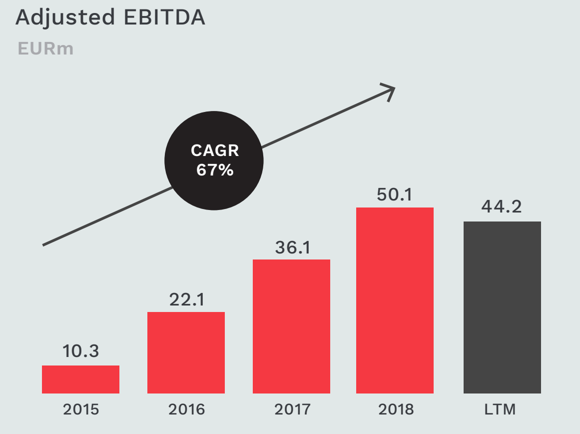
Investments in intangible assets amounted to EUR 1.7m (7.9) during in third quarter and mainly related to costs for the development of websites and other applications. During the corresponding quarter of the previous year, investment in intangibles mainly related to the acquisition of assets in Leaprate.com.

LIQUIDITY AND CASHFLOW

On 30 September, cash and cash equivalents amounted to EUR 11.7m (10.6). High operating cash flow and solid cash conversion underlie Catena Media's operations. Net cash generated from operating activities decreased by 11 percent compared with the third quarter of 2018 and amounted to EUR 9.1m (10.2). The cash conversion rate at the end of the period was 77 (76) percent.



- In the period from 2015 to 2018, Catena Media increased its revenue by EUR 90.1m, equaling a CAGR (compound annual growth rate) of 91.7 percent.



- In the period from 2015 to 2018, Catena Media increased its adjusted EBITDA by EUR 39.8m, equaling a CAGR (compound annual growth rate) of 67.1 percent.

Financial performance January – September 2019

REVENUES

The Group's revenues for the first nine months of 2019 decreased compared to the corresponding period in the previous year and amounted to EUR 76.3m (77.6).

The period's total revenues comprised EUR 65.0m (66.4) search revenue, EUR 9.1m (10.7) paid revenue and EUR 2.2m (0.5) subscription revenue. Revenues derived through revenue share arrangements comprised 44 percent of total revenues for the first nine months of 2019, while 39 percent was derived from cost per acquisition, 14 percent from fixed fees and 3 percent from subscriptions.

Approximately 80 percent of revenues were generated from locally regulated or taxed markets.

EXPENSES

Total operating expenses amounted to EUR 54.7m (47.9).

During the first nine months of 2019 direct costs related to paid revenue increased compared to the corresponding period of the previous year, as a result of an increased spend in Pay-Per-Click (PPC) in the US market. Further, both personnel and other operating costs increased, mainly as a result of an investment in the US market and in the Financial Services segment. Non-recurring costs of EUR 0.06m and EUR 0.1m during the period relate to the credit facility and reorganisation costs, respectively. During the comparative period, costs relating to the refinanced bond of EUR 2.0m and credit facility costs of EUR 0.2m are classified as non-recurring costs. An early redemption fee of EUR 3.4m in relation to the old bond had been recognised and classified as "Interest payable on borrowings".

EARNINGS

EBITDA, including non-recurring costs, decreased by 11 percent, amounting to EUR 32.0m (35.9). This corresponds to an EBITDA margin of 42 percent (46). Adjusted EBITDA (excluding non-recurring costs) decreased by 15 percent and amounted to EUR 32.2m (38.1). This corresponds to an adjusted EBITDA margin of 42 percent (49). The lower margin, compared to the first nine months of 2019, is due to higher costs related to personnel and other operating expenses, as well as the decline in revenues. The increased costs are mainly a result of ongoing investments in the US market. The effective tax rate for the Group amounted to 5.7 percent (8.3), while earnings after tax (EAT) amounted to 20.6m (18.4), an increase of 12 percent year-on-year.

Earnings per share (EPS) before dilution amounted to EUR 0.36 (0.34), and after dilution to EUR 0.34 (0.31). The earnings per share (EPS) was positively impacted by the fair valuation of the bond.

FUNDING

In March 2018, Catena Media refinanced the secured bond of EUR 100m with a new senior unsecured bond of EUR 150m. The bond will mature on 2 March 2021 and carries a floating rate of Euribor 3m +5.50 percent. Euribor 3m is subject to a floor of 0 percent. The new bond has a total framework of EUR 250m.

Since issuing the first bond, Catena Media has become a more mature company and refinancing is the first step in the process of aligning our capital structure with the development of the Company. Apart from a lower margin on interest rates, the new bond has a more flexible structure. It also enables bank financing of at most EUR 30m, or 75 percent of adjusted EBITDA.

Furthermore, a multicurrency revolving bank facility of EUR 30m was set up with Swedbank. This revolving bank facility will mature on 15 January 2021. In EUR the interest rate will be Euribor 3m +2.50 percent. Euribor 3m is subject to a floor of 0 percent. By diversifying our financing sources, we believe the Company's financial risk will decrease and the operational flexibility for further credit-enhancing development will increase. The Company utilised EUR 12.5m of this credit facility in the first nine months of 2019.

INVESTMENTS

Investments in intangible assets amounted to EUR 4.6m (82.8) during the period ended 30 September 2019, and were mainly related to costs for the development of websites and other applications. During the corresponding period of the previous year, investment in intangibles were mainly related to the acquisition of various websites and domains.

LIQUIDITY AND CASHFLOW

On 30 September, cash and cash equivalents amounted to EUR 11.7m (10.6). High operating cash flow and solid cash conversion underlie Catena Media's operations. Net cash generated from operating activities decreased by 2 percent compared with the same period in the previous year and amounted to EUR 28.7m (29.1). The cash conversion rate amounted to 90 percent.

INTEREST-BEARING DEBT AND LEVERAGE

Catena Media has an outstanding senior unsecured bond of EUR 150m as of 30 September 2019. Catena Media also has a multicurrency revolving bank facility at Swedbank. EUR 12.5m of the facility were utilised as of 30 September 2019.

The net interest-bearing liability/adjusted EBITDA was 3.4 as of 30 September 2019, compliant with our maintenance covenants. This is above the financial target regarding leverage set by the Board of Catena media plc. The target is for Catena Media's leverage to fall within an interval of 1.5-2.5 times the adjusted EBITDA, mid-term.

Our Segments

As a result of a change in the organisational structure at the beginning of the third quarter, the Group's operations are being reported on the basis of three segments, Casino, Sports Betting and Financial Services. Prior to this quarter, the Group's resources were allocated on the basis of two operating segments, iGaming and Financial Services.

Following the organisational change, management is carrying out a strategic review of the segments in order to reach the financial targets and set further focus on key products. As part of this review, the compatibility of each segment to the achievement of the overall strategic plan is being assessed, as well as the useful life of domains included in each segment.

Casino

In the third quarter, the Casino segment represented 62 percent of the total revenue (EUR 16.4m) and generated an adjusted EBITDA of EUR 9.1m. No comparative information is available.

ALL-TIME HIGH FOR ASKGAMBLERS

AskGamblers, one of Catena Medias core brands, had a good quarter with an all-time high in both revenues and traffic. During the period the team has worked on upgrading security levels, and the sites have been further secured to prevent hacker attacks.

UNITED STATES – LIVE IN PENNSYLVANIA

Catena Media was the first affiliate to go live in Pennsylvania, and we started to drive traffic to our online partners on 17 July. At the end of the quarter we were able to see the effect of the newly regulated state and our development is in line with our expectations. New Jersey developed well this quarter. We continue to prepare for new states opening up and are adding resources accordingly.

EUROPE – FOCUSING ON STRATEGIC DEVELOPMENT

The changed business climate, particularly in the Nordics and the UK, has required additional focus on product improvements, increased user value, efficiency and operational excellence. Numerous actions and tasks have been undertaken, but to adapt to the changing environment, we are continuously working on these tasks to increase our performance.

JAPAN – STRONG GROWTH

In Japan, our business is growing faster than our initial expectations, even if it is from a low level. We are increasing our efforts in the area and from the beginning of 2020 we are relocating to new premises to support our growth. Aside from our initiatives to increase our market share with the current Casino products, we are preparing to operate local versions of AskGamblers in the region.

LATIN AMERICA – MARKET EXPLORATION

We continue to explore and gather data in the region. Initial tests in Mexico delivered good traffic from pay-per-click activities, but a poorly developed technical infrastructure in the region gives our customers challenges in converting their leads.

Sports Betting

In the third quarter, the Sports Betting segment represented 33 percent of total revenue (EUR 8.6m) and generated an adjusted EBITDA of EUR 2.3m. No comparative information is available.

ITALY – EXCEEDING EXPECTATIONS AFTER REGULATORY CHANGES

The first quarter since the introduction of the new regulations in Italy saw our key brand, Superscomesse.it, deliver above our expectations. Prior to regulatory changes our focus was on developing the product to ensure it was ready for the new framework. By working in partnership with operators, we ensured regulatory compliance and gained the trust of operators, which has led to a strong quarter and long-term commitments from the operators.

UNITED STATES – A GROWING MARKET

The US market is growing according to plan, although the NFL season did not kick off as we had expected. Sports Betting was somewhat delayed in Pennsylvania, since there were few operators, resulting in less investment in the affiliate market.

UNITED KINGDOM - ANOTHER CHALLENGING QUARTER

The UK market continued to be a challenging environment, especially in relation to the pay-per-click channel. New strategies have been agreed and investments made to focus more on organic traffic, as margins continue to decline in the pay-per-click arena. Quarterly unique user growth continued in the third quarter with Squawka, LiveTennis and LatestBettingSites enjoying record-high traffic numbers for the year.

BAYBETS NOW ONBOARD

The final elements of the integration of the BayBets acquisition took place, with the teams now fully integrated into the larger Sports Betting segment team. Based in Malta, the team retained focus, and efficiency gains from the integration will be seen in future periods.

Financial Services

In the third quarter of 2019, the Financial Services segment represented 5 percent of total revenues (EUR 1.4m), and in the first nine months of 2019, 6 percent of total revenues (EUR 4.4m). Adjusted EBITDA for the Financial Services segment amounted to EUR 0.1m in the third quarter and EUR 0.2m for the first nine months of 2019.

ASKTRADERS – BUILDING UP A PREMIUM BRAND

One of the core brands within the Financial Services segment is AskTraders.com, an online community for traders. The focus has primarily been to set a clear strategy and to further recruit experienced writers to the team, all in preparation for future growth.

THE US MARKET IS STABLE

Catena Media's US domain, HammerstoneMarkets.com, revolves almost entirely on organic searches. SEO ranking is critical for lead generators to succeed in this market and that is what we focus on. From a trading point of view the US market is stable. We are putting our efforts primarily into developing the Hammerstone proprietary app for the delivery of the data feed, and directly encouraging the client base to use this app, as opposed to third-party distribution points.

BITCOIN AND CRYPTOCURRENCY

In the third quarter we saw quite a lot of cryptocurrency activity in Southeast Asia. Bitcoin has been relatively stable. The outcome of Facebook's Libra coin could have a bearing on volatility. We anticipate a return to more crypto-related traffic in 2020.

PREPARING FOR THE FUTURE

We are in the process of developing our hero brand AskTraders.com as a global leader for the trading community. Other brands in the ecosystem are roviding a networking effect to help us continue to win in the market, and to gain knowledge useful for rolling out AskTraders.com in new countries.

Other

THE CATENA MEDIA SHARE

On 11 February 2016, Catena Media plc was listed on Nasdaq First North Premier, Stockholm (CTM). On 4 September 2017, Catena Media plc made the move to Nasdaq Stockholm's main market, Mid Cap. The shares are traded under the same ticker (CTM) and with the same ISIN code (MT0001000109) as before. Further information about the listing is presented in the prospectus, which is available on the Company's website at https://www.catenamedia.com/investors/prospectus.

On 2 July 2018, the Company announced that it had resolved to implement a directed issue of 182,550 shares to cover one of the Company's incentive programmes.

On 9 July 2018, it was announced that 30,061 new shares in Catena Media plc were issued as payment of part of the purchase price for acquired assets in BrokerDeal.de with a nominal price of EUR 0.0015 per share and a share premium of EUR 11.9741495 per share.

On 19 July 2018, it was announced that 144,282 new shares in Catena Media plc were issued as payment of the earn-out amount payable to New Casinos Ltd. based on revenue performance. The new shares were issued with a nominal price of EUR 0.0015 per share and a share premium of EUR 12.9938840 per share.

On 31 July 2018, it was announced that the Company had resolved to implement a directed issue of 327,150 shares to cover one of the Company's incentive programmes.

On 16 August 2018, it was announced that 77,209 new shares in Catena Media plc were issued with a nominal value of EUR 0.0015 per share and a share premium of EUR 11.1594006 per share. These shares were issued in part settlement of the purchase consideration for the assets acquired in the US.

On 8 November 2018, it was announced that 188,751 new shares in Catena Media plc were issued as partial payment of the upfront purchase price for acquired assets in LeapRate.com.

On 30 November 2018, the Company announced that it had resolved on a directed issue of 261,275 shares by virtue of the Company's incentive programme.

On 31 January 2019, the Company announced that it had resolved on a directed issue of 22,000 shares by virtue of the Company's incentive programme.

On 28 February 2019, the Company announced that it had resolved on a directed issue of 468,132 shares as part payment of the upfront purchase price for acquired assets in Baybets Ltd.

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.

SHARE CAPITAL

As of 30 September 2019, the share capital amounted to EUR 87,644 divided between 58,429,598 ordinary shares. As of 30 September 2019, the closing price for the Catena Media share was SEK 46.32. 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 2019 was approximately 9,500.

SHAREHOLDER STRUCTURE

Shareholders in Catena Media plc as of 30 September 2019.

Ten largest shareholders as of 30 September 2019 **%**	
Bodenholm Capital	12.3%
Investment AB Öresund	8.9%
Ruane, Cunniff & Goldfarb	8.6%
Swedbank Robur Fonder	6.3%
Andra AP-fonden	6.3%
Aveny Ltd.	6.2%
Baybets Ltd.	3.5%
Long Light Capital LLC	2.5%
Capital Group	2.5%
Henrik Persson Ekdahl	2.3%
Subtotal, 10 largest shareholders	**59.4%**
Other shareholders	**40.6%**
Total	**100%**

RELATIONSHIPS WITH RELATED PARTIES

In view of its shareholding structure, the Group has no ultimate controlling party. All companies forming part of the Group and other entities under common control are considered by the directors to be related parties.

DIVIDEND

According to the adopted dividend policy, Catena Media will focus on growth, meaning that dividends may be low or not occur at all in the medium term. There was no dividend paid for the financial period ended 30 September 2019.

FINANCIAL TARGETS

Catena Media has two main financial targets. The first one is our growth and earnings target of reaching an adjusted EBITDA of EUR 100m in 2021. The second relates to leverage, where the goal is to operate within a net interest-bearing debt/ adjusted EBITDA of 1.5-2.5x.

EMPLOYEES

As of 30 September 2019, the Group had a total 402 (353) employees, of whom 137 (117) were women and 265 (236) men. Expressed as percentages, women represented 34 percent (33) of the total number of employees, while men represented 66 percent (67). Of our 402 employees, 398 are employed full-time and 4 employed part-time.

PARENT COMPANY

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

During both the third quarter of 2019 and 2018, no dividends were received from subsidiaries. During the third quarter of 2019, costs related to the credit facility in the Parent Company amounted to EUR 0.02 (0.2). Total credit facility costs for the period ended 30 September 2019 were EUR 0.03m, while costs related to the bond issue in the corresponding period of 2018 amounted to EUR 1.9m.

Bond and credit facility finance costs, classified as "Interest payable on borrowings", amounted to EUR 2.3m (2.1) during the third quarter and EUR 6.6m (9.7) for the period ended 30 September 2019.

The bond and credit facility costs and interest payable on the borrowings have been recharged to Catena Operations Limited.

The fair value movement classified in "Other gains on bond liability at fair value through profit or loss", recognised in the third quarter of 2019 and during the first nine months of 2019, resulted in a gain of EUR 6.8m and EUR 8.3m respectively. During the third quarter of 2019, personnel expenses amounted to EUR 0.3m (0.2), while other operating expenses amounted to EUR 0.05m (0.1). The profit for the third quarter of 2019 amounted to EUR 6.5m (0.6).

Personnel expenses and other operating expenses for the period ended 30 September 2019 amounted to EUR 0.6m (0.3) and EUR 0.2m (0.2) respectively. Profit for the first nine months of 2019 amounted to EUR 7.6m (3.1).

The Parent Company's cash and cash equivalents amounted to EUR 3.4m (0.2), while borrowings, recognised at fair value through profit and loss, comprising the bond and the bank credit facility, amounted to EUR 148.3m (149.3). Equity amounted to EUR 93.4m (63.8) 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 long standing or emerging markets - which are the Group's current and future customers - the Group's revenue streams from such customers may be adversely affected. Furthermore, the concerned authority might also claim that the same or similar actions should be brought against any third party that has promoted the business of such online gambling operators, including the Group. Accordingly, any such event, including future changes to laws and regulations, could have a material adverse effect on the Group's business, financial condition and the results of its operations. To manage this risk, the Group is active in regulated and unregulated markets and Catena Media's customer base is highly diverse.

Another risk faced by the Group relates to its reliance on customers when determining the fees to be invoiced to them. Once a player directed by the Group has registered with one of its customers, the Group has no direct insight into the activities of that player. Although the Group may request access to the net revenue calculations upon which the Group's fees are determined, there remains a risk of miscalculation, including fraudulent or negligent calculations made by its customers, or as a result of human error.

If such miscalculations occur without being detected and subsequently remedied or adjusted, the Group could receive a lower fee than it is entitled to under its customer agreements, which in turn would result in less revenue. Accordingly, any such miscalculation could have an adverse effect on the Group's business, financial condition and results of operations.

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

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

Full details on risks are published in the 2018 Annual Report. https://www.catenamedia.com/app/uploads/2019/03/Annual-Report-2018-1.pdf

A SCALABLE BUSINESS MODEL

All industries are potential Catena Media industries and we are a new type of media agency – acting online, hand in hand with the end consumer's ever-changing online behaviour. Under established brands, Catena Media operates websites that guide consumers to make the right choice when making their buying decisions for online services. Flight and hotel bookings are good examples of services managed online. A well-known lead generator and a product peer is Hotels.com. Catena Media runs a number of own-branded lead generating products. Most other industries will develop online the same way as the hotel or iGaming industry, and education, healthcare, and automotive are well on their way. Catena Media has a highly scalable business model, so it works on any online service.

Put simply, we help consumers find relevant information and transparently guide them to the product or service that suits them. It benefits both the consumers and the sellers, who can find their customers. We aggregate information on products and services and what concerns them. We then create content and publish it on one of our established sites: news articles, product comparisons, guides, tips and advice, etc. With our SEO expertise, we then ensure that the content ends up at the top of the results on Google. And with knowledge about user behaviour, we can create an online journey that fits consumers so that they find their way, and our clients find their customers. View our business model movie: **https://www.youtube.com/watch?v=hvhn2pWWOrM&t=**

GENERATING LEADS IN PENNSYLVANIA

On 17 July, Catena Media started driving traffic to our first live online casino partner in Pennsylvania. Following the launch of the Pennsylvania market, websites operated by Catena Media are now adding market-leading online casinos to their list of operators. Catena Media was the first affiliate to go live in Pennsylvania for online sportsbooks earlier this summer and has been building websites and dominating rankings in the state for the past few years for search words related to online sportsbooks and casinos.

Catena Media's Pennsylvania-focused websites are filled with useful information and answers to questions that players in Pennsylvania are asking. These top-ranking websites and their useful content opens up potential new traffic to Catena Media's partners. Catena Media is working with new operators who are specific to Pennsylvania and operators that Catena Media has already worked with for years in New Jersey, and who are now entering Pennsylvania. In the near future, Catena Media expects to add more operators and partners.

WELL PREPARED FOR LIFT OF GOOGLE BAN

According to EGR Intel, Google is preparing to lift its ban on online casino advertising in the United States by the first quarter of 2020. This means that the search engine is opening up to pay-per-click advertising for online casinos. Catena Media is well prepared for a lift of the advertising ban for online casinos. Catena Media's US General Manager Michael Daly stated that "Any investment into the Igaming industry is good news for Catena Media. We have prepared for the lift of this ban for a while and developed our search word strategy accordingly. We are ready to do PPC advertising for online casino as soon as Google unblocks adverts. We're already doing PPC advertising for sports in the US and showing good results and we're expecting PPC advertising for casino to do just as well."

Google already allows sports betting advertising in the states of Nevada, New Jersey and West Virginia, and Catena Media has invested in PPC advertising there.

SUPERSCOMMESSE WINS AFFILIATE OF THE YEAR AT EGR ITALY AWARDS 2019

This quarter the Catena Media Italian site Superscommesse won the Affiliate of the Year award at EGR Italy Awards 2019. Superscommesse took home the award for Affiliate of the Year 2015 as well as 2018, and they were now competing for the first time under the Catena Media brand. The category of Affiliate of the Year is highly competitive and the nominees were judged on several criteria that make them stand out from other affiliates, such as strong partner relationships, innovation, and scale of traffic to bring a provable return on investment for operators.

ASKGAMBLERS – NOW LAUNCHED IN JAPANESE, SPANISH AND PORTUGUESE

In line with the Company's strategy of entering new markets and focusing on its core brands, Catena Media recently launched AskGamblers in Japanese, Spanish and Portuguese, meaning the site now operates in six languages. As one of its core features, besides being a traditional lead-generation website, Catena Media's askgamblers.com site provides a platform to help players speak out and shed light on any wrongdoings or questionable procedures. The objective is to safeguard and support players and partners by encouraging casino brands to act responsibly and professionally. The main incentive in gambling, apart from excitement, is money – and the most common issues are payments, followed by bonuses and account handling. So far, Catena Media's Casino Complaint Service has resolved more than 10,000 complaints. In monetary terms this was worth EUR 28 million to players.

ANNUAL REPORT 2019

The Annual Report for 2019 will be published digitally on 30 March 2020 at: **https://www.catenamedia.com/investors/reports/annual-reports/**.

ANNUAL GENERAL MEETING

The next Annual General Meeting will be held on 15 May 2020 at 10 am at the Catena Media office in Malta. There will be a possibility for shareholders to register and vote in Stockholm via a live video link.

The Chairman of the Nomination committee is Erik Orving, the CEO of Bodenholm Capital AB.

EXECUTIVE MANAGEMENT FOR FURTHER FOCUS

The Executive Management of Catena Media as of July 2019 consists of: CEO Per Hellberg, Interim Group CFO Erik Edeen, Deputy CEO Johannes Bergh, Chief Human Resources Officer Fiona Ewins-Brown, VP Financial Services Nigel Frith, and VP Sports Betting Richard Gale. This new set of roles in executive management provides increased control, business optimisation and greater focus on each business area.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Notification of Major Holdings in Catena Media plc. The Notification indicates that Swedbank Robur Fonder AB, as of 7 October 2019, holds 4.46 percent of the voting rights in Catena Media plc.
- Catena Media resolved upon a directed new share issue as final payments for an acquisition made in June 2018.
- AskGamblers - a Catena Media core brand - was launched in Japansese, Spanish and Portuguese.
- Notification of Major Holdings in Catena Media plc. The Notification indicates that Bodenholm Capital AB, as of 2 October 2019, holds 15.19 percent of the voting rights in Catena Media plc.

PRESENTATION TO INVESTORS AND MEDIA

A combined audiocast with telephone conference will be held on 18 November 2019 at 9:00 am CET, at which CEO Per Hellberg and interim Group CFO Erik Edeen will present the Q3 report. The presentation will be given in English and will be simultaneously audiocast at:
https://tv.streamfabriken.com/catena-media-q3-2019

To participate via telephone please call:

UK	+ 44 333 300 9034
Sweden	+ 46 8 566 426 93
US	+ 1 833 526 83 80

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

Supplemental information

The Board of Directors and the CEO affirm that this interim report provides an accurate overview of the operations, financial position and performance of the Group and the Parent Company, and describes the significant risks and uncertainties faced by the Parent Company and the companies in the Group.

Malta, 18 November 2019

THE BOARD OF DIRECTORS

Kathryn Moore Baker
Chairwoman

Göran Blomberg

Theodore Bergquist

Öystein Engebretsen

Mats Alders

Per Widerström

Cecilia Qvist

Upcoming dates

20 February 2020
Year-end report
January–December 2019

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

30 March 2020
Annual Report 2019

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

15 May 2020
Annual General Meeting

The annual general meeting will be held in Malta with the opportunity to vote in Stockholm. The AGM starts at 10 am.

20 May 2020
Interim report Q1
January–March 2020

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

For further information, please contact

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Åsa Hillsten, Head of IR & Communication
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REGISTERED OFFICE

Quantum Place, Triq ix-Xatt
Ta' Xbiex, Gzira, GZR 1052, Malta

This information is information that Catena Media plc is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons above, on 18 November 2019 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 2019 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 Qormi, Malta

Romina Soler
Partner

18 November 2019

Condensed consolidated interim statement of comprehensive income

Amounts in '000 (EUR)	Notes	**Jul–Sep 2019**	Jul–Sep 2018	**Jan–Sep 2019**	Jan–Sep 2018	Jan–Dec 2018
Revenue	2	**26,421**	27,675	**76,262**	77,634	104,970
Total revenue		**26,421**	27,675	**76,262**	77,634	104,970
Direct costs	4	**(3,674)**	(3,087)	**(10,305)**	(10,031)	(12,975)
Personnel expenses		**(5,690)**	(4,638)	**(16,914)**	(13,466)	(19,214)
Depreciation and amortisation		**(3,647)**	(2,272)	**(10,371)**	(6,182)	(8,715)
Non-recurring costs:						
IPO, bond and credit facility related costs	5	**(15)**	(224)	**(62)**	(2,160)	(2,160)
Reorganisation costs	5	**(92)**	-	**(149)**	(61)	(61)
Other operating expenses		**(5,552)**	(6,361)	**(16,849)**	(16,040)	(22,724)
Total operating expenses		**(18,670)**	(16,582)	**(54,650)**	(47,940)	(65,849)
Operating profit		**7,751**	11,093	**21,612**	29,694	39,121
Interest payable on borrowings		**(2,212)**	(2,108)	**(6,505)**	(9,683)	(11,877)
Other gains on financial liability at fair value through profit or loss		**6,750**	750	**8,250**	3,632	8,882
Other finance costs		**-**	(1,002)	**(2,273)**	(3,623)	(4,606)
Other finance income		**528**	-	**782**	-	1,614
Profit before tax		**12,817**	8,733	**21,866**	20,020	33,134
Tax expense		**(920)**	(668)	**(1,257)**	(1,654)	(2,322)
Profit for the period/year attributable to the equity holders of the Parent Company		**11,897**	8,065	**20,609**	18,366	30,812
Other comprehensive income						
Items that may be reclassified to profit for the period/year						
Currency translation differences		**40**	(11)	**(4)**	24	67
Items that will not be reclassified to profit for the period/year						
Loss on disposal of other investments		**-**	-	**-**	(589)	(589)
Total other comprehensive income/(loss) for the period/year		**40**	(11)	**(4)**	(565)	(522)
Total comprehensive income attributable to the equity holders of the Parent Company		**11,937**	8,054	**20,605**	17,801	30,290
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 for the period/year		**0.20**	0.15	**0.36**	0.34	0.56
Diluted earnings per share						
From profit for the period/year		**0.19**	0.14	**0.34**	0.31	0.52

The notes on pages 18 to 25 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet

Amounts in '000 (EUR)	Notes	30 Sep 2019	30 Sep 2018	31 Dec 2018
ASSETS				
Non-current assets				
Goodwill		**11,966**	12,969	11,966
Right-of-use asset	11	**7,295**	-	-
Other intangible assets	6	**310,891**	303,908	328,372
Property, plant and equipment		**3,687**	3,963	4,009
Total non-current assets		**333,839**	320,840	344,347
Current assets				
Trade and other receivables		**22,923**	22,096	21,412
Cash and cash equivalents		**11,698**	10,604	13,161
Total current assets		**34,621**	32,700	34,573
Total assets		**368,460**	353,540	378,920
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		**88**	84	84
Share premium		**75,640**	59,296	61,770
Other reserves		**6,559**	5,945	6,063
Retained earnings		**94,539**	61,484	73,930
Total equity		**176,826**	126,809	141,847
Liabilities				
Non-current liabilities				
Borrowings	7	**148,250**	149,250	144,000
Amounts committed on acquisition	8	**-**	25,540	21,170
Deferred tax liabilities		**5,070**	4,136	4,598
Lease liability		**4,921**	-	-
Total non-current liabilities		**158,241**	178,926	169,768
Current liabilities				
Amounts committed on acquisition	8	**23,355**	40,291	60,740
Trade and other payables		**9,150**	6,580	5,943
Current tax liabilities		**888**	934	622
Total current liabilities		**33,393**	47,805	67,305
Total liabilities		**191,634**	226,731	237,073
Total equity and liabilities		**368,460**	353,540	378,920

The notes on pages 18 to 25 are an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements on pages 13 to 25 were authorised for issue by the Board on **18 November 2019** and were signed on its behalf by:

Kathryn Moore Baker
Chairwoman

Mats Alders
Director

Condensed consolidated interim statements of changes in equity

Amounts in '000 (EUR)	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	Attributable to owners of the parent				
Balance at 1 January 2019	84	61,770	6,063	73,930	141,847
Comprehensive income					
Profit for the period	–	–	–	20,609	20,609
Currency translation differences	–	–	(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	Other reserves	Retained earnings	Total equity
	Attributable to owners of the Parent Company				
Balance at 1 January 2018	81	47,153	6,077	43,707	97,018
Comprehensive income					
Profit for the period	–	–	–	18,366	18,366
Foreign currency translation movement	–	–	24	–	24
Loss on disposal of other investments	–	–	–	(589)	(589)
Total comprehensive income for the period	–	–	24	17,777	17,801
Transactions with owners					
Issue of share capital	3	12,143	–	–	12,146
Equity-settled share-based payments	–	–	(156)	–	(156)
Total transactions with owners	3	12,143	(156)	–	11,990
Balance at 30 September 2018	84	59,296	5,945	61,484	126,809

The notes on pages 18 to 25 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statements of changes in equity – continued

Amounts in ‘000 (EUR)	Attributable to owners of the Parent Company				
	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance at 1 January 2018	81	47,153	6,077	43,707	97,018
Comprehensive income					
Profit for the year	–	–	–	30,812	30,812
Foreign currency translation movement	–	–	67	–	67
Loss on disposal of other investments	–	–	–	(589)	(589)
Total comprehensive income for the year	–	–	67	30,223	30,290
Transactions with owners					
Issue of share capital	3	14,617	–	–	14,620
Equity-settled share-based payments	–	–	(81)	–	(81)
Total transactions with owners	3	14,617	(81)	–	14,539
Balance at 31 December 2018	84	61,770	6,063	73,930	141,847

The notes on pages 18 to 25 are an integral part of these condensed consolidated inteirm financial statements.

Condensed consolidated interim statements of cash flows

Amounts in '000 (EUR)	**Jul–Sep 2019**	Jul–Sep 2018	**Jan–Sep 2019**	Jan–Sep 2018	Jan–Dec 2018
Cash flows from operating activities					
Profit before tax	**12,817**	8,733	**21,866**	20,020	33,134
Adjustments for:					
Depreciation and amortisation	**3,647**	2,272	**10,371**	6,182	8,715
Loss on disposal of assets	**-**	-	**92**	-	-
Impairment of receivables	**131**	50	**181**	100	200
Unrealised exchange differences	**1,004**	(136)	**1,346**	515	(1,145)
Interest expense	**1,684**	3,042	**7,301**	12,259	15,397
Net gains on financial liability at fair value through profit or loss	**(6,750)**	(750)	**(8,250)**	(3,632)	(8,882)
Share based payments	**241**	165	**555**	361	499
	12,774	13,376	**33,462**	35,805	47,918
Taxation paid	**(5)**	-	**(648)**	(559)	(964)
Interest paid	**(106)**	-	**(329)**	-	-
Changes in:					
Trade and other receivables	**(2,001)**	(3,951)	**(2,301)**	(9,648)	(9,204)
Trade and other payables	**(1,518)**	787	**(1,516)**	3,519	2,900
Net cash generated from operating activities	**9,144**	10,212	**28,668**	29,117	40,650
Cash flows from investing activities					
Acquisition of property, plant and equipment	**(88)**	(116)	**(472)**	(1,075)	(1,346)
Acquisition of intangible assets	**(19,088)**	(12,384)	**(34,136)**	(67,221)	(73,287)
Acquisition of subsidiary, net of cash acquired	**-**	(1,727)	**-**	(2,574)	(3,624)
Net cash used in investing activities	**(19,176)**	(14,227)	**(34,608)**	(70,870)	(78,257)
Cash flows from financing activities					
Net proceeds on borrowings	**9,500**	-	**12,500**	48,650	48,650
Proceeds on exercise of share options	**-**	663	**257**	1,167	1,862
Interest paid	**(2,153)**	(2,082)	**(6,390)**	(9,305)	(11,456)
Lease payments	**(502)**	-	**(1,881)**	-	-
Net cash generated from /(used in) financing activities	**6,845**	(1,419)	**4,486**	40,512	39,056
Net movement in cash and cash equivalents	**(3,187)**	(5,434)	**(1,454)**	(1,241)	1,449
Cash and cash equivalents at beginning of period/year	**15,094**	16,152	**13,161**	12,346	12,346
Currency translation differences	**(209)**	(114)	**(9)**	(501)	(634)
Cash and cash equivalents at end of period/year	**11,698**	10,604	**11,698**	10,604	13,161

The notes on pages 18 to 25 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated financial statements

1. ACCOUNTING PRINCIPLES

The interim report is prepared in the accordance with IAS 34 "Interim financial reporting". It has been prepared under the historical cost convention, as modified by the fair valuation of financial liabilities measured at fair value through profit and loss. The principal accounting policies applied in the preparation of the Group's condensed consolidated financial statements are consistent with those presented in the Annual Report for the year ended 31 December 2018, except for leases as a result of the implementation of IFRS 16, "Leases", which became effective as from 2019. The Parent Company applies the same accounting principles as the Group.

The new standards, which became effective on 1 January 2019, have had no or very limited impact on the Group's financial statements, except for the items noted below.

Under IFRS 16, "Leases", a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration. IFRS 16 requires lessees to recognise a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts. The Group companies have entered into long-term office leases: these arrangements were classified as operating leases under IAS 17.

As at 31 December 2018, the Group had non-cancellable operating lease commitments for long-term office leases amounting to EUR 10.4m. The Group's management has carried out an assessment of the impact of the standard and the directors concluded that these arrangements fall within the remits of this standard.

The Group applied the standard from its mandatory adoption date of 1 January 2019 and applied the simplified transition approach. As a result, the Group did not restate comparative amounts for the year prior to first adoption. Under this approach, the lease liability is measured at the present value of the remaining lease payments as at 30 September 2019, which amounts to EUR 7.5m. The right-of-use asset is initially measured at an amount equivalent to the lease liability with no adjustment to equity, less the accumulated amortisation recognised on the same asset. The adoption of IFRS 16 also resulted in the replacement of operating lease rental expenditure by amortisation of the right-of-use asset, and an interest cost on the lease liability.

As disclosed in the Annual Report for the year ended 31 December 2018, on the basis of the lease arrangements in place as at 1 January 2019, management estimated that rental costs of EUR 2.9m for the year ending 31 December 2019 will be replaced by a notional interest charge that is expected to be in the region of EUR 0.5m, and an annual amortisation charge in the region of EUR 2.8m. This will therefore result in a reduction of approximately EUR 0.4m in profitability for the year ending 31 December 2019.

Management also estimates that EBITDA for the year ending 31 December 2019 will be improved by EUR 2.9m, as the operating lease payments were included in EBITDA, while the amortisation of the right-of-use assets and interest on the lease liability are excluded from this measure. Rental payments under IFRS 16 are allocated between interest payments and a reduction in the lease liability, with a corresponding impact on the Group's statement of cash flows. The Group's policy is to present interest payments as financing cash flows. Accordingly, lease payments of EUR 2.9m for the year ending 31 December 2019 will be reported in their entirety as a financing cashflow instead of an operating cash flow. The impact of the adoption of IFRS 16, "Leases", on the Group's financial statements is further disclosed in note 11.

Critical accounting estimates

CGUs and impairment assessment

Following the organisational change, management is in the process of carrying out a strategic review of the segments in order to reach the financial targets and set further focus on key products. As part of this review, the compatibility of each segment for the achievement of the overall strategic plan is being assessed in depth, as well as the useful life of domains included in each segment.

Impairment assessments are deemed to be critical accounting estimates management will continue to monitor this assessment on the basis of the outcome of the strategic review currently being carried out together with the Board.

Trade receivables and provision for impairment

The provision for impairment of trade receivables is another critical accounting estimate. Management continues to review the impact of the implementation of IFRS 9. Given that the Group has limited historical experience, the judgment is highly subjective. Management will continue to monitor the adequacy of this provision in the light of a slowdown in payment patterns, and hardened market conditions.

2. REVENUE

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

Amounts in '000 (EUR)	**Jul-Sep 2019**	Jul-Sep 2018	**Jan-Sep 2019**	Jan–Sep 2018	Jan–Dec 2018
Search revenue	**23,126**	23,669	**64,951**	66,359	89,866
Subscriptions revenue	**507**	409	**2,179**	490	1,118
Paid revenue	**2,788**	3,597	**9,132**	10,785	13,986
Total revenue	**26,421**	27,675	**76,262**	77,634	104,970

Search revenue comprised EUR 15.1m Casino revenue, EUR 7.0m Sports Betting revenue and EUR 1.0m Financial services revenue for the current quarter. Comparative data for the corresponding quarter and for the first half of the year is not available, as only two operating segments were reported previously, namely iGaming and Financial services. Search revenue for the third quarter of 2018 comprised EUR 22.7m iGaming revenue and EUR 1.0m Financial services revenue, and EUR 62.9m and EUR 3.5m respectively for the first nine months of 2018. Paid revenue comprised EUR 2.1m Sports Betting revenues and EUR 0.7m Casino revenues. In the comparative periods, paid revenue was reported within iGaming in its entirety.

3. SEGMENT REPORTING

The Group's operations are reported on the basis of the three operating segments, Casino, Sports Betting and Financial Services, following a change in organisational structure implemented during the current quarter. The segments have been identified in accordance with the definition of an operating segment in IFRS 8, Operating Segments. No comparative information is available, 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 organisation structure and operating segments. There were no intersegmental revenues during the period. Further, total assets and liabilities for each reportable segment are not presented, since they are not referred to for monitoring purposes. The tables below show figures for each respective period presented in this report.

	Jul–Sep 2019					Jul–Sep 2018			
Amounts in '000 (EUR)	Casino	Sports Betting	Financial services	Unallocated	**Total**	iGaming	Financial services	Unallocated	Total
Revenue from external customers *	16,402	8,628	1,391	–	**26,421**	26,097	1,578	–	27,675
Total revenue	16,402	8,628	1,391	–	**26,421**	26,097	1,578	–	27,675
Direct costs	(1,589)	(1,958)	(127)	–	**(3,674)**	(2,958)	(129)	–	(3,087)
Personnel expenses	(2,890)	(2,304)	(496)	–	**(5,690)**	(4,418)	(220)	–	(4,638)
Depreciation and amortisation	(2,420)	(1,080)	(147)	–	**(3,647)**	(2,143)	(129)	–	(2,272)
Non-recurring costs									
IPO and bond related costs	–	–	–	(15)	**(15)**	–	–	(224)	(224)
Reorganisation costs	–	–	–	(92)	**(92)**	–	–	–	–
Other operating expenses	(2,804)	(2,103)	(645)	–	**(5,552)**	(5,636)	(725)	–	(6,361)
Total operating expenses	(9,703)	(7,445)	(1,415)	(107)	**(18,670)**	(15,155)	(1,203)	(224)	(16,582)
Operating profit/(loss)	6,699	1,183	(24)	(107)	**7,751**	10,942	375	(224)	11,093
Interest payable on borrowings	–	–	–	(2,212)	**(2,212)**	–	–	(2,108)	(2,108)
Other gains on bond liability at fair value through profit or loss	–	–	–	6,750	**6,750**	–	–	750	750
Other finance costs	–	–	–	–	**–**	–	–	(1,002)	(1,002)
Other finance income	–	–	–	528	**528**	–	–	–	–
Profit before tax	6,699	1,183	(24)	4,959	**12,817**	10,942	375	(2,584)	8,733
Tax expense	–	–	–	(920)	**(920)**	–	–	(668)	(668)
Profit for the period attributable to the equity holders of the Parent Company	6,699	1,183	(24)	4,039	**11,897**	10,942	375	(3,252)	8,065
Other comprehensive income									
Items that may be reclassified to profit for the period/year									
Currency translation differences	–	–	–	40	**40**	–	–	(11)	(11)
Total other comprehensive loss for the period	–	–	–	40	**40**	–	–	(11)	(11)
Total comprehensive/(loss) income attributable to the equity holders of the Parent Company	6,699	1,183	(24)	4,079	**11,937**	10,942	375	(3,263)	8,054
Adjusted EBITDA	9,119	2,263	123	–	**11,505**	13,085	504	–	13,589
Adjusted EBITDA margin	56%	26%	9%	–	**44%**	50%	32%	–	49%
NDCs ('000)	63	35	1	–	**99**	136	2	–	138

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

Amounts in '000 (EUR)	Jan–Sep 2019 Casino	Sports Betting	iGaming	Finance	Unallocated	**Total**	Jan–Sep 2018 iGaming	Finance	Unallocated	Total
Revenue form external customers	16,402	8,628	46,876	4,356	–	**76,262**	73,644	3,990	–	77,634
Total revenue	16,402	8,628	46,876	4,356	–	**76,262**	73,644	3,990	–	77,634
Direct cost	(1,589)	(1,958)	(6,248)	(510)	–	**(10,305)**	(9,799)	(232)	–	(10,031)
Personnel expenses	(2,890)	(2,304)	(10,089)	(1,631)	–	**(16,914)**	(13,123)	(343)	–	(13,466)
Depreciation and amortisation	(2,420)	(1,080)	(6,505)	(366)	–	**(10,371)**	(5,813)	(369)	–	(6,182)
Non-recurring costs:										
IPO and bond related costs	–	–	–	–	(62)	**(62)**	–	–	(2,160)	(2,160)
Reorganisation costs	–	–	–	–	(149)	**(149)**	–	–	(61)	(61)
Other operating expenses	(2,804)	(2,103)	(9,974)	(1,968)	–	**(16,849)**	(14,800)	(1,240)	–	(16,040)
Total operating expenses	(9,703)	(7,445)	(32,816)	(4,475)	(211)	**(54,650)**	(43,535)	(2,184)	(2,221)	(47,940)
Operating profit	6,699	1,183	14,060	(119)	(211)	**21,612**	30,109	1,806	(2,221)	29,694
Interest payable on borrowings	–	–	–	–	(6,505)	**(6,505)**	–	–	(9,683)	(9,683)
Other gains on bond liability at fair value through profit or loss	–	–	–	–	8,250	**8,250**	–	–	3,632	3,632
Other finance costs	–	–	–	–	(2,273)	**(2,273)**	–	–	(3,624)	(3,624)
Other finance Income	–	–	–	–	782	**782**	–	–	–	–
Profit before tax	6,699	1,183	14,060	(119)	43	**21,866**	30,109	1,806	(11,895)	20,020
Tax expense	–	–	–	–	(1,257)	**(1,257)**	–	–	(1,654)	(1,654)
Profit for the period/year attributable to the equity holders of the parent company	6,699	1,183	14,060	(119)	(1,214)	**20,609**	30,109	1,806	(13,549)	18,366
Other comprehensive income										
Items that may be reclassified to profit for the period										
Currency translation differences	–	–	–	–	(4)	**(4)**	–	–	24	24
Items that will not be reclassified to profit for the period/year										
Loss on disposal of other investments	–	–	–	–	–	**–**	–	–	(589)	(589)
Total other comprehensive loss for the period	–	–	–	–	(4)	**(4)**	–	–	(565)	(565)
Total comprehensive income for the period attributable of the parent company	6,699	1,183	14,060	(119)	(1,218)	**20,605**	30,109	1,806	(14,114)	17,801
Adjusted EBITDA	9,119	2,263	20,565	247	–	**32,194**	35,922	2,175	–	38,097
Adjusted EBITDA margin	56%	26%	44%	6%	–	**42%**	49%	55%	–	49%
NDCs ('000)	63	35	220	5	–	**323**	401	10		411

Jan–Dec 2018

Amounts in ‘000 (EUR)	iGaming	Financial Services	Unallocated	Total
Revenue from external customers*	99,225	5,745	–	104,970
Total revenue	99,225	5,745	–	104,970
Direct costs	(12,568)	(407)	–	(12,975)
Personnel expenses	(18,533)	(681)	–	(19,214)
Depreciation and amortisation	(8,250)	(465)	–	(8,715)
Non-recurring costs:				
IPO and bond-related costs	–	–	(2,160)	(2,160)
Reorganisation costs	–	–	(61)	(61)
Other operating expenses	(20,560)	(2,164)	–	(22,724)
Total operating expenses	(59,911)	(3,717)	(2,221)	(65,849)
Operating profit	39,314	2,028	(2,221)	39,121
Interest payable on borrowings	–	–	(11,877)	(11,877)
Other gains on bond liability at fair value through profit or loss	–	–	8,882	8,882
Other finance costs	–	–	(4,606)	(4,606)
Other finance income	–	–	1,614	1,614
Profit before tax	39,314	2,028	(8,208)	33,134
Tax expense	–	–	(2,322)	(2,322)
Profit for the period attributable to the equity holders of the Parent Company	39,314	2,028	(10,530)	30,812
Other comprehensive income				
Items that may be reclassified to profit for the year				
Currency translation differences	–	–	67	67
Items that may not be reclassified to profit for the year				
Loss on disposal of other investments	–	–	(589)	(589)
Total other comprehensive loss for the period	–	–	(522)	(522)
Total comprehensive income attributable to the equity holders of the Parent Company	39,314	2,028	(11,052)	30,290
Adjusted EBITDA	47,564	2,493	–	50,057
Adjusted EBITDA margin	48%	43%	–	48%
NDCs (‘000)	528	11	–	539

* Revenue reported under finance includes finance revenue of EUR 5.0m (nil) and subscription revenue amounting to EUR 0.7m (nil).

4. DIRECT COSTS

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

5. NON-RECURRING COSTS

Non-recurring costs relate to costs that are not deemed to be in the ordinary course of the Catena Media's business, including IPO, bond, credit facility and reorganisation costs. Non-recurring costs incurred during the third quarter of 2019 amounting to EUR 0.1m related to credit facility costs and reorganisation costs, the latter comprising termination benefits. Non-recurring costs incurred during the same quarter in previous year related solely to the new bank financing facility and amounted to EUR 0.2m. Non-recurring costs incurred during the financial year ended 31 December 2018 related to bond costs and fees relating to the new bank facility, amounting to EUR 2.2m, and reorganisation costs amounting to EUR 0.1m, the latter comprising termination benefits and the share option cost that was subject to accelerated vesting upon termination of employment.

6. OTHER INTANGIBLE ASSETS

The Group's acquisitions primarily comprise domains and websites, player databases and in certain instances other components of intellectual property, which include outsourced development. The consideration paid for player databases is determined by reference to the historical average revenue per active player for the portfolio of acquired players over the expected player life. In the instances where other components of acquired intellectual property are identified, the allocation of the consideration was based on an estimate of the replacement value of the asset. The residual value is allocated to domains and websites.

	Group			
Amount in '000 (EUR)	Domains and websites	Player database	Other intellectual property	Total
Cost at 1 January 2019	313,209	16,534	11,525	341,268
Additions	323	13	4,241	4,577
Disposals	(88)	–	–	(88)
Change in estimates	(14,087)	(476)	–	(14,563)
Cost at 30 September 2019	**299,357**	**16,071**	**15,766**	**331,194**
Accumulated amortisation at 1 January 2019	–	(8,767)	(4,129)	(12,896)
Amortisation charge	–	(3,941)	(3,466)	(7,407)
At 30 September 2019	**–**	**(12,708)**	**(7,595)**	**(20,303)**
At 30 September 2019	**299,357**	**3,363**	**8,171**	**310,891**
At 30 September 2018	289,199	8,130	6,579	303,908

Additions of EUR 4.2m related to other intellectual property, which comprises costs for the development of websites and other applications. No asset acquisitions were concluded during the third quarter of 2019. Adjustments recognised as a result of changes in estimates of the likely outcome of a contingent event and change in agreements amounted to EUR -14.6m (-6.7m).

7. BORROWINGS

Borrowings as at the end of the reporting period comprised a three-year unsecured bond loan ("new bond") amounting to EUR 150.0m, under a framework of EUR 250.0m maturing in March 2021, as well as EUR 12.5m representing the utilised portion of the revolving bank credit facility. The corresponding balance as at 31 December 2018 comprised only the new bond amounting to EUR 150.0m. The new bond was listed on Nasdaq Stockholm on 6 April 2018 at a nominal value of EUR 100,000. The debt securities bear a floating rate coupon of Euribor 3m + 5.5 percent. Euribor 3m is subject to a floor of 0 percent.

The new bond was designated by management as a financial liability at fair value through profit and loss, since it contains an embedded derivative that may significantly modify the resulting cashflow. This embedded derivative is an early redemption option, with the redemption price set in accordance with a mechanism defined in the prospectus. The fair value of the bond, which at the end of the reporting period amounted to EUR 135.8m, was determined by reference to multiple broker quotes. Accordingly, the bond's fair value was categorised within IFRS 13 fair value hierarchy as Level 3.

The movements in fair value for the third quarter and for the period ended 30 September 2019 of EUR 6.8m and EUR 8.3m, respectively, are recognised in ''Other gains on bond liability at fair value through profit or loss'' in the income statement. If the estimated price of the bond increased by 1%, the estimated fair value of the bond would increase by EUR 1.4m. Similarly, if the estimated price of the bond decreased by 1%, the estimated fair value of the bond would decrease by EUR 1.4m.

8. AMOUNTS COMMITTED ON ACQUISITION

Amounts committed on acquisitions consist of contractual obligations resulting from the purchase of intangible assets from third parties. Some of the obligations have a predetermined value, while others include future payments whose value depends on target earnings. The latter are further referred to as contingent considerations. Expected cash outflows relating to these contingent considerations are assessed by the Directors for each asset acquisition on the basis of their knowledge of the industry and how the economic environment is likely to impact it.

Movements during the period/year are summarised below:

Amounts in '000 (EUR)	**Jan–Sep 2019**	Jan–Sep 2018	Jan–Dec 2018
Opening balance	81,910	61,296	61,296
Acquisitions during the period/year	–	82,862	82,862
Settlements/set-offs	(45,891)	(75,628)	(82,776)
Present value adjustments	–	1,299	–
Notional interest charges	2,399	2,686	1,920
Adjustments arising as a result of a change in estimate	(15,063)	(6,684)	18,608
Closing balance	**23,355**	65,831	81,910

The maximum potential undiscounted amount that the Group may be required to settle under such contingent consideration arrangements is EUR 40.0m, of which EUR 20.4m, gross of present value adjustment of EUR -1.8m and excluding an amount of EUR 4.8m, which is not contingent, has been recognised based on estimates of future earnings.

Amounts committed are further analysed as follows:

Amounts in '000 (EUR)	**30 Sep 2019**	30 Sep 2018	31 Dec 2018
Current			
Contingent	18,539	34,508	43,884
Non-contingent	4,816	5,783	16,856
	23,355	40,291	60,740
Non-current			
Contingent	–	25,540	21,170
Non-contingent	–	–	–
	–	25,540	21,170
Total amounts committed	**23,355**	65,831	81,910

Contingent considerations are measured at fair value and are included in Level 3 of the fair value hierarchy. The fair value is determined on the date of purchase and subsequently per each reporting date, by calculating the expected cash outflow on each purchase agreement. The expected cash flows are discounted to present value by utilising a discount rate of 6.75 percent. The present value adjustment to the expected cash flows as at 30 September 2019 is EUR 1.8m (5.8). As at 30 September 2018, the total present value adjustment attributable to amounts committed on acquisition due within twelve months was EUR 2.5m. The corresponding adjustment impacts the value of the assets acquired, as recognised in the statement of financial position.

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

9. RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:

Amount in ‘000 (EUR)	**Jul–Sep 2019**	Jul–Sep 2018	**Jan–Sep 2019**	Jan–Sep 2018	Jan–Dec 2018
Purchases of services:					
Entities with significant shareholding*	**–**	(245)	**–**	429	566

As of 21 December 2018, Optimizer Invest Limited no longer holds any shares or voting rights in Catena Media plc, and therefore is no longer deemed to be a related party. Hence, related party transactions up until this date have been disclosed.

*Purchases of services from entities with significant shareholding comprised consultancy, advisory and success fees payable to Optimizer Invest Limited. Fees relating to acquisitions reflected the amount paid during the periods and not the maximum amount that could be due in terms of contractual agreements in place that are dependent on the achievement of earnings targets. Transactions for the financial year ended 31 December 2018 were affected by credit notes regarding recharge costs relating to the first and second quarter 2018 from Optimizer Invest Limited.

10. BUSINESS COMBINATIONS

On 12 June 2018, the Group acquired 100 percent of the share capital of Hammerstone Inc. in the US. Hammerstone is an instant messaging-based platform that provides subscribers with immediate notifications of market-driving news.

The Group acquired Hammerstone for an initial consideration and an earn-out consideration. The initial purchase price, paid in conjunction with the transfer of the assets, amounted to an upfront payment of USD 5.0m, of which USD 2.0m was paid through newly issued shares at a subscription price of SEK 137.32 per share. A total of 127,440 shares were issued in this regard. During the fourth quarter of 2018, Catena Media agreed to amended terms, whereby the earn-out portion amounting to a maximum USD 2.5m based on revenue performance over a period of 12 months, with 40 percent of the earn-out being payable in shares, was replaced by a cash payment of USD 1.2m in full and final settlement for the acquisition. The previously estimated contingent consideration (net of PV adjustment) amounted to USD 2.5m.

Details of net assets acquired and goodwill are as follows:

Purchase consideration	On acquisition EUR ‘000
Cash settlement	2,574
Share issue and allotment	1,699
Final cash settlement	959
Total purchase consideration	**5,232**
Fair value of net assets acquired (refer to the below)	(599)
Goodwill	**4,633**

The above goodwill is primarily attributed to the potential of the product acquired. The asset and liabilities arising from the acquisition, provisionally determined, are listed in the table below:

	Fair value EUR ‘000
Subscription database	599
Net assets acquired	**599**

11 ADOPTION OF IFRS 16

This note explains the impact of the adoption of IFRS 16 “Leases” on the Group’s financial statements, which became mandatory as of 1 January 2019. The Group has applied the simplified transition approach and as a result, comparative amounts are not restated, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

After adopting IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of IAS 17 “Leases”. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions. The incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.5%.

From 1 January 2019, each lease payment has been allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Amounts in ‘000 (EUR)	
Operating lease commitments disclosed as of 31 December 2018	10,411
Discounted using the Group’s incremental borrowing rate at 1 January 2019	9,258
Notional interest charge for the period ended 30 September 2019, net of foreign exchange differences	330
Payments	(2,090)
	7,498
Lease liability recognised as at 30 September 2019	
Analysed as follows:	
Current lease liability	2,577
Non-current lease liability	4,921
	7,498

As at 1 January 2019, lease liability amounting to EUR 2.9m was due within twelve months, while the amount of EUR 6.4m was due after more than one year. The current portion of the lease liability is included within “Trade and other payable” on the statement of financial position.

The associated right-of-use asset for property leases was measured at an amount equivalent to the lease liability plus prepaid lease expenses as of 1 January 2019. The asset is subsequently depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis.

The recognised right-of-use asset relates to the following type of asset:

Amounts in ‘000 (EUR)	**30 September 2019**	1 Jan 2019
Properties	7,295	9,258

Condensed Parent Company interim statements of income and other comprehensive income

Amounts in '000 (EUR)	**Jul–Sep 2019**	Jul–Sep 2018	**Jan–Sep 2019**	Jan–Sep 2018	Jan–Dec 2018
Personnel expenses	**(259)**	(150)	**(597)**	(288)	(427)
IPO, bond and credit facility related costs	**(15)**	(160)	**(30)**	(1,885)	(1,885)
Recharge of IPO, bond and credit facility related costs to subsidiary	**15**	160	**30**	1,885	1,885
Other operating expenses	**(45)**	(81)	**(150)**	(225)	(281)
Other operating income	**20**	20	**59**	60	80
Total operating expenses	**(284)**	(211)	**(688)**	(453)	(628)
Operating loss	**(284)**	(211)	**(688)**	(453)	(628)
Interest payable on borrowings	**(2,256)**	(2,108)	**(6,550)**	(9,682)	(11,857)
Recharge of interest to subsidiary	**2,256**	2,108	**6,550**	9,644	11,819
Other gains on financial liability at fair value through profit or loss	**6,750**	750	**8,250**	3,632	8,882
Other finance costs	**(4)**	-	**(9)**	(132)	(132)
Finance income	**-**	55	**-**	55	58
Profit before tax	**6,462**	594	**7,553**	3,064	8,142
Tax expense	**-**	-	**-**	-	-
Profit for the period - total comprehensive income	**6,462**	594	**7,553**	3,064	8,142

Condensed Parent Company interim balance sheet

Amounts in '000 (EUR)	**30 Sep 2019**	30 Sep 2018	31 Dec 2018
ASSETS			
Non-current assets			
Investment in subsidiaries	**1,445**	1,170	1,239
Current assets			
Trade and other receivables	**242,270**	214,645	216,438
Cash and cash equivalents	**3,410**	222	837
Total current assets	**245,680**	214,867	217,275
Total assets	**247,125**	216,037	218,514
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**88**	84	84
Share premium	**76,171**	59,827	62,301
Other reserves	**1,645**	1,070	1,145
Retained earnings	**15,457**	2,827	7,905
Total equity	**93,361**	63,808	71,435
Liabilities			
Non-current liabilities			
Borrowings	**148,250**	149,250	144,000
Total non-current liabilities	**148,250**	149.250	144,000
Current liabilities			
Trade and other payables	**5,514**	2,979	3,079
Total current liabilities	**5,514**	2,979	3,079
Total liabilities	**153,764**	152,229	147,079
Total equity and liabilities	**247,125**	216,037	218,514

Definitions of alternative performance measures

ATERNATIVE KEY RATIO	DESCRIPTION	SCOPE
EBITDA	Operating profit before depreciation and amortisation.	The Group reports this key ratio so that users of the report can monitor operating profit and cash flow. This is also used by investors, analysts and the Group's management to evaluate the Group's operational profitability.
EBITDA MARGIN	EBITDA as a percentage of revenue.	The Group reports this key ratio so that the users of the report can monitor the value creation generated by the operation. This is also used by investors, analysts and the Group's management to evaluate the Group's operational profitability.
ADJUSTED EBITDA	EBITDA adjusted for non-recurring expenses.	The Group reports this key ratio because it provides a better understanding of the operating profit than non-adjusted EBITDA, which also provides a more comparable financial measure over time.
ADJUSTED EBITDA MARGIN	Adjusted EBITDA as a percentage of revenue.	The Group reports this key ratio to show the underlying EBITDA margin before non-recurring costs, which provides a better understanding of EBITDA margin than non-adjusted EBITDA margin, which also provides a more comparable financial measure over time.
NDCs (NEW DEPOSITING CUSTOMERS)	New customers placing a first deposit on a client's website.	The Group reports this key figure since it is key to measure revenues and long-term organic growth.
NON-RECURRING COSTS	Costs that are not part of the normal operation of the business.	Non-recurring expenses are costs that do not relate to the ongoing operations of the business. Examples include bond issue costs, IPO costs, including costs associated with any listing changes, as well as reorganisation costs.
ORGANIC GROWTH	Revenue growth rate excluding portfolios and products that have been acquired in the past 12 months. Paid 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 expressed as a percentage of short-term liabilities.	The Group reports this key ratio to show the Company's ability to pay its current obligations by having assets readily convertible to cash.
REVENUE PRODUCTIVITY RATIO	Revenue per average number of employees.	The Group reports this key ratio to be used by management and investors to assess productivity per employee.
ADJUSTED EBITDA PRODUCTIVITY RATIO	Adjusted EBITDA per average number of employees.	The Group reports this key ratio to be used by management and investors to assess productivity per employee.
CASH CONVERSION RATE	Net cash from operating activities divided by EBITDA.	The Group reports this key figure to determine the Company's ability to convert its profits into available cash.