

INTERIM REPORT – Q2 2016

SECOND QUARTER OF 2016

- Revenues totalled EUR 9.58 million (3.02), an increase of 217 percent compared with the same quarter for the previous year and an increase of 28 percent when compared to the previous quarter.
- Adjusted operating profit excluding non-recurring IPO expenses amounted to EUR 5.01 million (2.28), corresponding to an adjusted operating margin of 52 percent (75). Operating profit increased to EUR 5.07 million (2.24) corresponding to an operating margin of 53 percent (74).
- Profit before tax amounted to EUR 4.87 million (2.24) and excluding non-recurring IPO expenses totalled EUR 4.94 million (2.28).
- New depositing customers (NDC) totalled 47,530 (15,326), an increase of 210 percent compared with the same quarter for the previous year and an increase of 47 percent when compared to the previous quarter.
- Earnings per share amounted to EUR 0.08913 (0.04755).

FIRST SIX MONTHS OF 2016

- Revenues totalled EUR 17.04 million (4.98), an increase of 242 percent compared with the same period for the previous year.
- Adjusted operating profit excluding non-recurring IPO expenses amounted to EUR 9.17 million (3.46), corresponding to an adjusted operating margin of 54 percent (70). Operating profit increased to EUR 8.25 million (3.42) corresponding to an operating margin of 48 percent (69).
- Profit before tax amounted to EUR 8.70 million (3.43) and excluding non-recurring IPO expenses totalled EUR 9.61 million (3.47).
- New depositing customers (NDC) totalled 79,851 (25,176), an increase of 217 percent compared with the same period for the previous year.
- Earnings per share amounted to EUR 0.16401 (0.07520).

SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- On 3 April 2016, Catena Media acquired the acknowledged and highly regarded affiliate website AskGamblers.com for a consideration of EUR 15 million. The transaction is the largest in Catena Media's history. AskGamblers operates one of the markets' most highly visited web portals for player reviews and rankings of online casinos. The company also provides players with the unique opportunity of trying online casino-related disputes via the portal. Players across Europe utilise AskGamblers.com with the UK being the company's largest market. The transaction comprises all affiliate accounts, domains, mobile apps and social media accounts.
- On 2 June 2016, Catena Media acquired the player accounts and domains of one of the leading iGaming affiliates in Germany. The purchase price, maximised at EUR 6.5 million, comprises an upfront payment of EUR 3.5 million and an earn-out, based on the first-year revenue performance, of a maximum of EUR 3.0 million. To achieve the maximum earn-out, the seller needs to generate substantial revenue growth.
- On 19 June 2016, with an effective date of 1 July 2016, Catena Media continued to pave the way in becoming the leading iGaming lead generation group through the acquisition of the player accounts and domains of a Swedish sportsbook affiliate Spelbloggare.se. The purchase price amounted to EUR 2.50 million, with an additional earn-out of a maximum of EUR 2.50 million. For the maximum earn-out to be reached, the seller needs to generate substantial revenue growth.
- Catena Media has in recent weeks also launched its own sportsbook affiliate product in the UK. Through this launch and the acquisition of Spelbloggare.se, Catena Media made an entry into the sportsbook segment – a new vertical for the Group.
- During the quarter, Catena Media also recruited key expertise to the Board of Directors. Kathryn Moore Baker, with extensive experience in building successful companies from an active board and Chairperson position, has taken over as Chairperson, while Mathias Hermansson, CFO with MTG Group for many years, has been elected to the Board. After the quarter, the management team was further strengthened through the recruitment of Owe Laestadius (CTO). Owe Laestadius has 15 years of experience in the iGaming industry, mainly in leading engineering roles at Betsson Group. Other recruitments were Anne Rhenman Eklund as Head of IR/Communication, Louise Wendel as Head of Legal and Nikola Teofilovic as the new General Manager for Serbia.
- Furthermore, Catena Media has begun preparations for a move from Nasdaq First North Premiere to the Stockholm Stock Exchange's main list (Mid Cap). The work is proceeding according to plan.

Comment from Robert Andersson, CEO

We grow bigger and stronger, day by day

Continued aggressive expansion and successful integration of acquisitions generated strong growth and solid second quarter results.

During the second quarter of 2016, the focus has been on further expanding Catena Media, both in terms of geographies and products. It has been an exciting and eventful period that included several new acquisitions, a new venture in the sportsbook segment, entry into the large German market and further reinforcement of both the management team and the Board of Directors. The high growth rate that has distinguished the company since its start in 2012 continues to be evident, with the normal second quarter negative seasonal effect – mainly within Paid revenue – only barely notable. In the second quarter, sales grew 217 percent compared to the same period in 2015 and 28 percent compared with the first quarter this year.

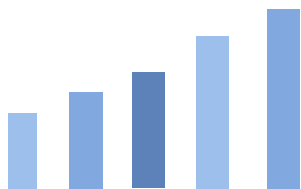
From a market perspective, the second quarter mirrored the European Football Championship, where casino was somewhat overshadowed by sports betting – a vertical where we are currently, a small but fast-growing player. In Paid revenue, particularly in sports betting, we have increased the amount of players on revenue share giving an inherent delayed effect, with the result of our efforts remaining to be seen moving forward. Regarding the development in the UK (Brexit), with a weakening of the pound sterling, we have noted no impact on our revenues but some positive effects on our operating profit.

Strategically important acquisitions

During the quarter, we made several strategic acquisitions that have broadened Catena Media's offering, and thus opened up substantial, new opportunities for growth. The acquisition of AskGamblers.com, a major international brand with a strong community, comprises our biggest acquisition to date and a strategically important step for Catena Media. AskGamblers.com has a strong mobile platform and creates considerable possibilities for us to build a development centre with an attractive cost base. Furthermore, we have entered the sizeable sports betting segment through the acquisition of Spelbloggare.se, which was consolidated on the 1 July. We also launched our own sportsbook affiliate product in the UK. In addition, we have acquired the essential assets of a German affiliate company, which means that we have established ourselves in the large and important German market. These initiatives have enabled us to further strengthen our position as one of the leading players in lead generation in iGaming. We are pleased to note that the acquisitions we have made during the year have been integrated according to plan, with a clear revenue boost generated by the Catena technical platform. We will continue to work toward our vision through our proven model of acquisition with rapidly realised synergies combined with organic expansion.

Growth ahead, top recruitments and preparation for the main list

The Catena Media growth story remains solid. We have a positive outlook for the third quarter, with indications of growth in line with our financial targets. As we grow, we also have an increasing need for talented and experienced people, as well as additional capital, that can help Catena Media take advantage of the opportunities ahead and to the next step in our development. We are therefore pleased with the recently announced new recruitments to the Board and to management. These appointments have an added dimension as Catena Media has begun preparations for moving to the Stockholm Stock Exchange's main list (Mid Cap) in 2017, for which the work is proceeding according to plan. In addition, we have started review the possibility to raise capital through a bond issue to continue to support the long term strategy of the Group.



Q2 REVENUE
EUR 9.58 MILLION



Q2 OPERATING PROFIT
EUR 5.07 MILLION

Q4 Q1 Q2
REVENUE GROWTH Q/Q
28%

SUMMARY FOR THE SECOND QUARTER AND FIRST SIX MONTHS OF 2016

Group	Apr- Jun	April - Jun	Jan- Jun	Jan- Jun	Jan-Dec
	2016	2015	2016	2015	2015
	€	€	€	€	€
Operating revenues (€)	9,578,131	3,022,852	17,036,643	4,978,767	14,938,857
Operating profit (€)	5,073,704	2,237,336	8,253,337	3,423,224	8,983,237
Operating profit margin (%)	53%	74%	48%	69%	60%
Adjusted operating profit (€)*	5,010,866	2,278,607	9,167,718	3,464,495	10,149,077
Adjusted operating margin (%)*	52%	75%	54%	70%	68%
Adjusted profit before tax (€)*	4,809,505	2,282,478	9,611,607	3,467,620	10,164,567
Adjusted profit before tax margin(%)*	50%	76%	56%	70%	68%
Profit before tax	4,872,343	2,241,208	8,697,227	3,426,350	8,998,727
Earnings per share (€)	0.08913	0.04755	0.16401	0.07520	0.19880
NDC	47,530	15,326	79,851	25,176	69,331
Equity to asset ratio	66%	79%	66%	79%	43%

*Adjusted for non-recurring IPO income of EUR 0.06 million in Q2 2016 and IPO costs of EUR 0.04 million in Q2 2015. Total IPO costs for the first six months of 2016 amounted to EUR 0.91 million (0.04). Total IPO costs for the year ended 31 December 2015 amounted to EUR 1.17 million.

DEVELOPMENT DURING THE FIRST SIX MONTHS OF 2016

Successful listing of shares

Catena Media's listing on the First North Premier exchange was successfully completed in February 2016.

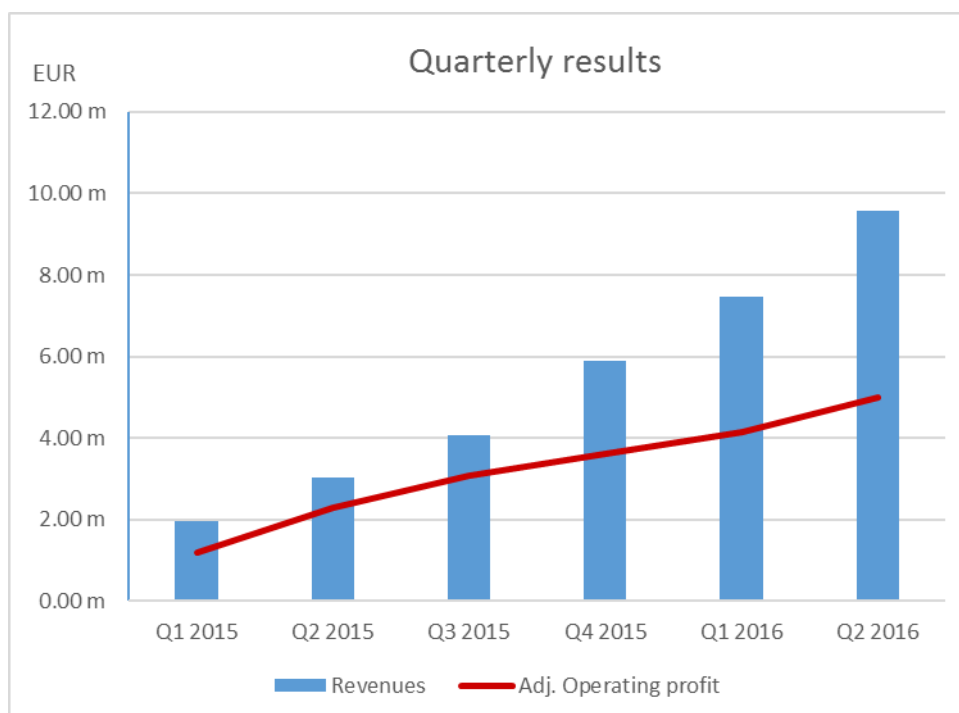
We have identified numerous advantages with being a listed company. The increased transparency helps to strengthen our brand, which is important for our relationships with casino operators. As a listed company, we also have better opportunities to grow and quickly adapt our operations to new conditions in the gambling industry. In addition, we can strengthen our financial position and thereby create opportunities for growth through acquisitions and or through establishing operations in new markets.

FINANCIAL PERFORMANCE DURING THE SECOND QUARTER OF 2016

Revenues

The Group's revenues totalled EUR 9.58 million (3.02) in the second quarter, corresponding to an increase of 217 percent compared with the same period in 2015. Out of the EUR 9.58 million (3.02), EUR 7.27 million (3.02) represented Organic revenue. The increase in Organic revenue was driven in part by organic growth and in part through the acquisitions made during the current period and prior year.

Paid revenue corresponds to EUR 2.31 million (nil). This revenue is related to the acquisition of Catena Media UK Limited (formerly known as Right Casino Media Limited ('RCM')). The acquisition was finalised on 23 October 2015 and revenues relating to this acquisition are reflected in Catena Media's revenues and results as from 1 November 2015.



Expenses

Operating expenses amounted to EUR 4.50 million (0.79). Direct costs related to Paid revenue represented the more significant expense component. These costs predominantly related to AdWords (Google spend) costs, and amounted to EUR 1.67 million (nil).

Personnel expenses amounted to EUR 1.48 million (0.37). The increase in personnel expenses was due to the recruitment of additional members of top and middle management and other employees across the organisation. As a result, the headcount totalled 129 employees at the close of the second quarter this year compared to 40 employees at the close of the same quarter last year. The increase in headcount was driven by the strong growth currently being experienced by the Group as well as a result of the Askgamblers.com acquisition. This also gave rise to the significant increase in other operating expenses as a result of an increase in staff-related support costs such as increased office expenses, additional office rent, more software user licences, recruitment agency fees and other similar items included in other operating expenses.

Expenses (continued)

Depreciation and amortisation amounted to EUR 0.25 million (0.01). The increase in depreciation and amortisation was mainly attributable to the acquisition of competitor player databases during the prior and the current year. Four percent of the cost of these acquisitions is being expensed over a three-year period, whilst in the case of Catena Media UK Limited, 12 percent of the purchase price is being depreciated over a three-year period.

As a result of the rapid expansion, the Group witnessed an increase in other operating expenses including domains for SEO efforts, external consultancy fees and server hosting fees. Other operating expenses amounted to EUR 1.18 million (0.37).

During the quarter certain costs relating to the listing of the Company did not transpire and were reversed resulting in an income of EUR 0.06 million in of the second quarter of 2016. In the second quarter of 2015, non-recurring costs amounted to EUR 0.04 million.

Earnings

Operating profit for the second quarter of 2016 amounted to EUR 5.07 million (2.24), an increase of 126 percent compared to the corresponding period last year. Adjusted operating profit amounted to EUR 5.01 million (2.28), corresponding to an adjusted operating margin of 52 percent (75). Operating profit included IPO related income of EUR 0.06 million in the second quarter of 2016 and IPO related cost of EUR 0.04 million in the second quarter of 2015.

Profit before tax amounted to EUR 4.87 million (2.24), an increase of 117 percent compared with the corresponding quarter in 2015.

Profit for the period amounted to EUR 4.58 million (1.96). Earnings per share amounted to EUR 0.08913 (0.04755).

For the quarter ended 30 June 2016, the Group had an effective tax rate of 6 percent.

Investments

Investments in intangible assets, which consist of player databases, websites and domains, amounted to EUR 22.15 million (0.01) during the quarter.

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

Cash and cash equivalents, financing and financial position

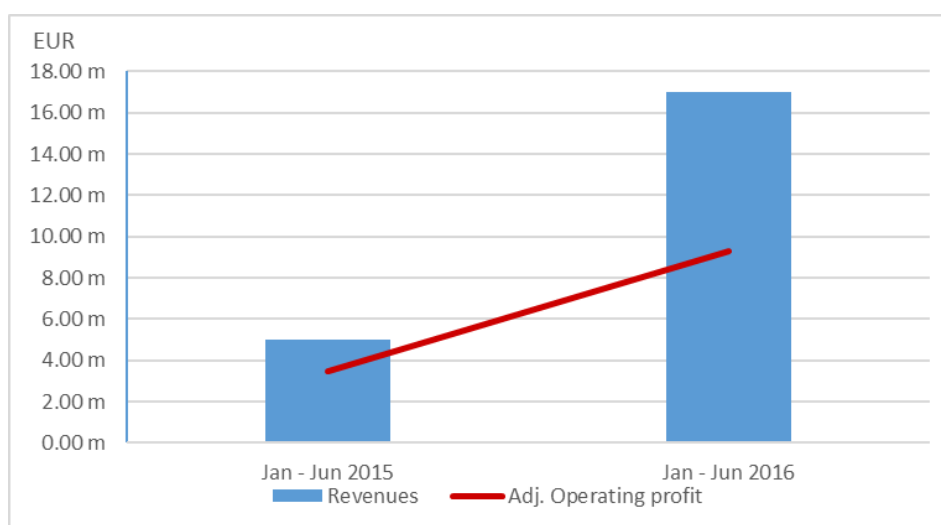
Cash flow generated from operating activities excluding the increase in short term earn-out liabilities relating to our recent acquisitions during the second quarter amounted to EUR 0.84 million (2.27). Cash flow used in investing activities was EUR 15.81 million (0.07) and was primarily attributable to the acquisitions that took place during the quarter. Cash flow from financing activities was EUR nil while the amount in the comparative quarter was EUR 1.91 million. Cash and cash equivalents amounted to EUR 5.42 million (0.62) at the end of the quarter.

FINANCIAL PERFORMANCE DURING THE FIRST SIX MONTHS OF 2016

Revenues

The Group's revenues totalled EUR 17.04 million (4.98) in the first 6 months of 2016, corresponding to an increase of 242 percent compared with the same period in 2015. Out of the EUR 17.04 million (4.98), EUR 12.76 million (4.98) represented Organic revenue. The increase in Organic revenue was driven in part by organic growth and in part through the acquisitions made during the current period and prior year.

Paid revenue corresponds to EUR 4.28 million (nil). This revenue is related to the acquisition of Catena Media UK Limited (formerly known as Right Casino Media Limited ('RCM')). The acquisition was finalised on 23 October 2015 and revenues relating to this acquisition are reflected in Catena Media's revenues and results as from 1 November 2015.



Expenses

Operating expenses amounted to EUR 8.78 million (1.56). Direct costs related to Paid revenue represented the more significant expense component. These costs predominantly related to AdWords (Google spend) costs, and amounted to EUR 2.94 million (nil).

Personnel expenses amounted to EUR 2.48 million (0.68). The increase in personnel expenses was due to the recruitment of additional members of top and middle management and other employees across the organisation. As a result, the headcount totalled 129 employees at the close of the second quarter this year compared to 40 employees at the close of the same quarter last year. The increase in headcount was driven by the strong growth currently being experienced by the Group as well as a result of the Askgamblers.com acquisition. This also gave rise to the significant increase in other operating expenses as a result of an increase in staff-related support costs such as increased office expenses, additional office rent, more software user licences, recruitment agency fees and other similar items included in other operating expenses.

Depreciation and amortisation amounted to EUR 0.41 million (0.01). The increase in depreciation and amortisation was mainly attributable to the acquisition of competitor player databases during the prior and the current year. Four percent of the cost of these acquisitions is being expensed over a three-year period, whilst in the case of Catena Media UK Limited, 12 percent of the purchase price is being depreciated over a three-year period.

As a result of the rapid expansion, the Group witnessed an increase in other operating expenses including domains for SEO efforts, external consultancy fees and server hosting fees. Other operating expenses amounted to EUR 2.04 million (0.82).

Non-recurring costs relating to the listing of the company of EUR 0.91 million (0.04) are included in operating expenses.

Earnings

Operating profit for the first 6 months of 2016 amounted to EUR 8.25 million (3.42), an increase of 141 percent compared to the corresponding period last year. Adjusted operating profit amounted to EUR 9.17 million (3.46), corresponding to an adjusted operating margin of 54 percent (70). Operating profit includes IPO related costs of EUR 0.91 million (0.04).

Profit before tax amounted to EUR 8.70 million (3.43), an increase of 154 percent compared with the corresponding quarter in 2015.

Profit for the period amounted to EUR 8.14 million (2.90). Earnings per share amounted to EUR 0.16401 (0.07520).

For the quarter ended 30 June 2016, the Group had an effective tax rate of 6 percent.

Investments

Investments in intangible assets, which consist of player databases, websites and domains, amounted to EUR 32.50 million (5.61) during the first six months of 2016.

Acquisitions of property, plant and equipment amounted to EUR 0.21 million (0.10).

Cash and cash equivalents, financing and financial position

Cash flow from operating activities excluding the increase in short term earn-out liabilities relating to our recent acquisitions during the first six months amounted to EUR 3.15 million (2.83). Cash flow used in investing activities was EUR 24.10 million (0.83) and was primarily attributable to the acquisitions that took place during the period. Cash flow from financing activities was EUR 24.21 million while the amount used in the comparative period was EUR 1.93 million. Cash and cash equivalents amounted to EUR 5.42 million (0.62) at the end of the period.

THE CATENA MEDIA SHARES

On 11 February 2016, the Company's shares were listed on Nasdaq First North Premier, Stockholm, under the trading symbol 'CTM'. Further information about the listing is available in the prospectus, which is available on the company's website at <https://www.catenamedia.com/investors/prospectus>.

The offering, including the over-allotment option, was subscribed for in full and comprised a total of 29,580,990 shares, of which 7,273,000 shares were newly issued shares and 22,307,990 existing shares. The subscription price for the offering was SEK 33 per share and Catena Media raised SEK 229.80 million corresponding to EUR 24.14 million in equity after issue costs. After the new share issue the total number of issued shares amounted to 51,445,152.

OWNERSHIP STRUCTURE

Largest shareholders in Catena Media as at 30 June 2016:

Shareholders	Number of shares	Share of capital and votes%
Optimizer Invest Ltd.	8,217,485	15.97%
Aveny Ltd.	5,110,934	9.93%
Pixel Wizard Ltd.	4,098,624	7.97%
LFJK Ltd	3,337,703	6.49%
Öresund Investment AB	3,030,303	5.89%
Swedbank Robur Småbolagsfond Norden	3,030,303	5.89%
Carnegie Småbolagsfond	2,700,000	5.25%
Knutsson Holdings AB	2,000,000	3.89%
Handelsbanken Fonder AB re JPMEL	1,959,877	3.81%
Skandrenting AB (fully-owned by Erik Selin)	1,515,151	2.95%
Total top 10 shareholders	35,000,380	68.03%
Other shareholders	16,444,772	31.97%
Total	51,445,152	100%

OTHER

Parent Company

Catena Media PLC 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 operational company, Catena Operations Limited. No dividends were received from the latter subsidiary during the second quarter of 2016. Finance expenses in the second quarter of 2016 amounted to EUR 0.17 million (nil). Personnel expenses amounted to EUR 0.03 million (nil), whilst other operating expenses amounted to EUR 0.03 million (0.01). The loss for the period amounted to EUR 0.22 million whilst profit for the comparative period amounted to EUR 1.09 million. The company's cash and cash equivalents amounted to EUR 4.75 million (0.02) at the end of the quarter and equity amounted to EUR 27.69 million (1.1). No dividend was distributed during the second quarter of 2016.

Employees

The Group's total number of employees at 30 June 2016 amounted to 129 (40), of which 49 (17) were women and 80 (23) were men. Expressed as percentages, women represented 38 percent (43) of the total number of employees whilst men represented 62 percent (57). All employees were employed on a full-time basis. Due to its rapid growth, the Group is continuing to recruit new employees.

Significant risks and uncertainties

While 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. Further, 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.

On behalf of the Board:

Kathryn Moore Baker
Chairperson

Per Anders Henrik Persson Ekdahl
Director

Registered office
The Firs, Level 6
Gorg Borg Olivier Street
Sliema SLM 1801
Malta

Condensed consolidated interim statement of comprehensive income (unaudited)

Group	Notes	Apr- Jun	April - Jun	Jan-Jun	Jan-Jun	Jan-Dec
		2016	2015	2016	2015	2015
		€	€	€	€	€
Continuing operations						
Revenue	3	9,578,131	3,022,852	17,036,643	4,978,767	14,938,857
Direct costs related to Paid revenue		(1,665,203)	-	(2,944,760)	-	(734,617)
Personnel expenses		(1,480,479)	(367,191)	(2,480,004)	(680,376)	(2,024,023)
Other operating expenses		(1,176,026)	(367,553)	(2,037,314)	(819,128)	(1,888,910)
Depreciation and amortisation		(245,557)	(9,502)	(406,848)	(14,769)	(142,230)
IPO related income/(costs)		62,838	(41,270)	(914,380)	(41,270)	(1,165,840)
Total operating expenses		(4,504,427)	(785,516)	(8,783,306)	(1,555,543)	(5,955,620)
Operating profit		5,073,704	2,237,336	8,253,337	3,423,224	8,983,237
Finance costs		(201,361)	(1,871)	(3)	(7,489)	(10,497)
Finance income		-	5,743	443,893	5,766	6,138
Other non-operating income		-	-	-	4,849	19,849
Profit before tax		4,872,343	2,241,208	8,697,227	3,426,350	8,998,727
Tax expense		(286,808)	(282,672)	(535,153)	(440,601)	(684,689)
Profit for the period / year from continuing operations		4,585,535	1,958,536	8,162,074	2,985,749	8,314,038
Discontinued operations						
Loss for the period from discontinued operations		-	-	-	(82,250)	(82,250)
Other comprehensive income						
Currency translation differences		(3,978)	-	(22,630)	-	(1,208)
Profit for the period / year - total comprehensive income		4,581,557	1,958,536	8,139,444	2,903,499	8,230,580

The notes on pages 18 to 20 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of comprehensive income (unaudited) (continued)

Group	Apr-Jun 2016	April - Jun 2015	Jan-Jun 2016	Jan-Jun 2015	Jan-Dec 2015
	€	€	€	€	€
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	0.08913	0.04755	0.16401	0.07733	0.20079
From discontinuing operations	-	-	-	(0.00213)	(0.00199)
From profit for the period / year	0.08913	0.04755	0.16401	0.07520	0.19880
Diluted earnings per share					
From continuing operations	0.08883	0.04755	0.16343	0.07733	0.19994
From discontinuing operations	-	-	-	(0.00213)	(0.00198)
From profit for the period / year	0.08883	0.04755	0.16343	0.07520	0.19796

The notes on pages 18 to 20 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet (unaudited)

Group	Notes	30-Jun 2016	30-Jun 2015	31-Dec 2015
		€	€	€
ASSETS				
Non-current assets				
Goodwill		7,332,727	-	7,332,727
Other intangible assets		46,488,110	6,651,224	14,341,978
Property, plant and equipment		571,080	160,517	416,336
Total non-current assets		54,391,917	6,811,741	22,091,041
Current assets				
Trade and other receivables		8,090,543	2,055,739	4,295,474
Deferred tax assets		1,133,294	-	1,127,199
Deferred listing costs		-	10,317	291,459
Cash and cash equivalents		5,418,413	623,921	1,529,222
Total current assets		14,642,250	2,689,977	7,243,354
Total assets		69,034,167	9,501,718	29,334,395
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		77,168	16,358	66,258
Share premium		25,740,521	-	999,793
Other reserves		5,350,527	4,999,746	5,072,731
Retained earnings		14,659,416	2,448,747	6,497,342
Total equity		45,827,632	7,464,851	12,636,124
Liabilities				
Non-current liabilities				
Trade and other payables	4	4,547,622	-	2,639,622
Deferred tax liabilities		1,397,158	71,925	1,031,909
Total non-current liabilities		5,944,780	71,925	3,671,531
Current liabilities				
Trade and other payables	4	15,582,571	334,436	10,692,484
Current tax liabilities		1,679,184	1,630,506	2,334,256
Total current liabilities		17,261,755	1,964,942	13,026,740
Total liabilities		23,206,535	2,036,867	16,698,271
Total equity and liabilities		69,034,167	9,501,718	29,334,395

The notes on pages 18 to 20 are an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements on pages 11 to 20 were authorised for issue by the Board on 25 August 2016 and were signed on its behalf by:

Kathryn Moore Baker
Chairperson

Per Anders Henrik Persson Ekdahl
Director

Condensed consolidated interim statement of changes in equity (unaudited)

Group	Attributable to owners of the parent				Non-controlling interest	Total equity
	Share capital	Other reserves	Share premium	Retained earnings		
	€	€	€	€		
Balance at 1 January 2016	66,258	5,072,731	999,793	6,497,342	-	12,636,124
Comprehensive income						
Profit for the period	-	-	-	8,162,074	-	8,162,074
Foreign currency translation movement	-	(22,630)	-	-	-	(22,630)
Total comprehensive income for the period	-	(22,630)	-	8,162,074	-	8,139,444
Transactions with owners						
Issue of share capital	10,910	-	24,740,728	-	-	24,751,638
Equity-settled share-based payments	-	64,765	-	-	-	64,765
Capital contribution	-	235,661	-	-	-	235,661
Total transactions with owners	10,910	300,426	24,740,728	-	-	25,052,064
Balance at 30 June 2016	77,168	5,350,527	25,740,521	14,659,416	-	45,827,632

The notes on pages 18 to 20 are an integral part of these condensed consolidated interim financial statements.

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

Group	Attributable to owners of the parent					Non-controlling interest	Total equity
	Share capital	Other reserves	Share premium	Retained earnings			
	€	€	€	€	€		
Balance at 1 January 2015	1,200	(4,519)	-	1,260,877	4,611	1,262,169	
Comprehensive income							
Profit for the period	-	-	-	2,903,499	-	2,903,499	
Total comprehensive income for the period	-	-	-	2,903,499	-	2,903,499	
Transactions with owners							
Issue of share capital (before reorganisation)	254	4,999,746	-	-	-	5,000,000	
Issue of share capital (after reorganisation)	16,358	-	-	-	-	16,358	
Dividends distributed during the period	-	-	-	(1,715,629)	-	(1,715,629)	
Total transactions with owners	16,612	4,999,746	-	(1,715,629)	-	3,300,729	
Adjustments relating to reorganisation							
Reorganisation of the Group	(1,454)	4,519	-	-	(4,611)	(1,546)	
Balance at 30 June 2015	16,358	4,999,746	-	2,448,747	-	7,464,851	

The notes on pages 18 to 20 are an integral part of these condensed consolidated interim financial statements.

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

Group	Attributable to owners of the parent				Non-controlling interest	Total equity
	Share capital	Other reserves	Share premium	Retained earnings		
	€	€	€	€		
Balance at 1 January 2015	1,200	(4,519)	-	1,260,877	4,611	1,262,169
Comprehensive income						
Profit for the period	-	-	-	8,231,788	-	8,231,788
Foreign currency translation movement	-	(1,208)	-	-	-	(1,208)
Total comprehensive income for the period	-	(1,208)	-	8,231,788	-	8,230,580
Transactions with owners						
Issue of share capital (before reorganisation)	254	4,999,746	-	-	-	5,000,000
Issue of share capital (after reorganisation)	66,258	-	999,793	-	-	1,066,051
Dividends distributed during the period	-	-	-	(2,995,323)	-	(2,995,323)
Equity-settled share-based payments	-	74,193	-	-	-	74,193
Total transactions with owners	66,512	5,073,939	999,793	(2,995,323)	-	3,144,921
Adjustments relating to reorganisation						
Reorganisation of the Group	(1,454)	4,519	-	-	(4,611)	(1,546)
Balance as at 31 December 2015	66,258	5,072,731	999,793	6,497,342	-	12,636,124

The notes on pages 18 to 20 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows (unaudited)

Group	Apr- Jun 2016	April - Jun 2015	Jan- Jun 2016	Jan- Jun 2015	Jan-Dec 2015
	€		€	€	€
Cash flows from operating activities					
Profit before tax including discontinued operations	4,872,343	2,241,208	8,697,227	3,344,100	8,916,477
Adjustments for:					
Loss on disposal	-	-	-	77,731	77,731
Depreciation and amortisation	245,557	9,502	406,848	14,769	142,230
Loss on disposal of PPE	-	-	-	-	391
Impairment of receivables	-	-	89,015	-	32,017
Unrealised exchange differences	201,358	-	(443,893)	-	-
Interest expense	3	1,871	3	7,489	10,497
Interest income	-	(5,743)	-	(5,766)	(6,138)
Share based payments	29,446	-	64,765	-	-
	5,348,707	2,246,838	8,813,965	3,438,323	9,173,205
Changes in:					
Trade and other receivables	(2,593,307)	391,315	(3,884,084)	(380,903)	(2,040,446)
Trade and other payables	(1,100,065)	(371,636)	(971,751)	(235,429)	1,238,511
Cash from operating activities	1,655,335	2,266,517	3,958,130	2,821,991	8,371,270
Interest received	-	5,743	-	5,766	6,138
Taxation paid	(811,061)	-	(811,061)	-	(50)
Net cash generated from operating activities	844,274	2,272,260	3,147,069	2,827,757	8,377,358
Cash flows used in investing activities					
Acquisition of property, plant and equipment	(52,467)	(62,304)	(157,399)	(95,143)	(375,430)
Acquisition of intangible assets	(15,754,178)	(8,328)	(23,945,275)	(608,328)	(3,863,132)
Net cash upon disposal	-	-	-	(128,842)	(21,056)
Interest paid	(3)	-	(3)	-	(3,008)
Net cash used in investing activities	(15,806,648)	(70,632)	(24,102,677)	(832,313)	(4,262,626)
Cash flows from financing activities					
Net proceeds received on issuance of share capital	-	16,358	24,207,885	16,358	66,045
Dividends paid	-	(1,715,629)	-	(1,715,629)	(2,995,323)
Net movement on loans	-	(200,154)	-	(223,012)	(223,012)
Proceeds from share warrants	-	-	-	-	17,228
Interest paid	-	(7,489)	-	(7,489)	(7,489)
Net cash generated from/(used in) financing activities	-	(1,906,914)	24,207,885	(1,929,772)	(3,142,551)
Net movement in cash and cash equivalents	(14,962,374)	294,714	3,252,277	65,672	972,181
Cash and cash equivalents at beginning of period / year	20,362,579	329,207	1,529,222	553,730	553,730
Currency translation differences	18,208	-	636,914	4,519	3,311
Cash and cash equivalents at end of period	5,418,413	623,921	5,418,413	623,921	1,529,222

The notes on pages 18 to 20 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. General information

Catena Media PLC (the “Company”) is a limited liability company and is incorporated in Malta. The Company and its subsidiaries (together, the “Group” also referred to as Catena Media) engage 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 interim consolidated financial statements are consistent with those presented in the Annual Report for the year ended 31 December 2015. Detailed information about the Group’s accounting policies can be found in the Annual Report for 2015 (Note 2), which is available on www.catenamedia.com.

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act, 1995. They have been prepared under the historical cost convention.

The Company was incorporated on 29 May 2015 under the terms of the Maltese Companies Act, 1995. On 1 June 2015, the Company acquired a 100 percent shareholding in Catena Operations Limited from its previous five shareholders. On 1 January 2015, Catena Operations Limited transferred its investment in Paxo Finans AB, a subsidiary in which it previously held a 95 percent interest, to Catena Invest Ltd, a related company which is not included in the Group.

The substance of the above was that of a group restructuring by virtue of which the Company became the new parent company of Catena Operations Limited. Accordingly, the shareholders of the Company are identical to those of Catena Operations Limited, and the restructuring solely interposed an additional holding company as holder of the shares in Catena Operations Limited. This transaction has been accounted for in the consolidated financial statements as a restructuring, and these have been compiled as if Catena Media PLC, was the parent company of the Group from incorporation. Accordingly, in order to provide more meaningful information to potential investors, the comparative figures include the financial performance and position of the Group even though the new parent company was legally incorporated on 29 May 2015. The comparative figures therefore present the consolidated results for Catena Operations Limited, the previous parent, and adjustments to reflect the impact of the re-organisation have been reflected in the Statement of changes in equity.

This quarterly report has not been audited or reviewed.

As at 30 June 2016, the Company’s current liabilities exceeded the current assets by EUR 2.62 million. Trade and other payables include current contingent consideration amounting to EUR 10.52 million. The contractual terms of these acquisitions are such that future payments depend on the achievements of target earnings and thus the directors consider that the liquidity risk associated with these transactions is less significant.

Notes to the condensed consolidated interim financial statements

2.1 Basis of preparation (continued)

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

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended 30 June 2016, and have not been applied in preparing these condensed consolidated interim financial statements. None of these are expected to have a material impact on the financial statements of the Group in the current or future reporting periods.

3. Revenue

The revenue for the Group for the second quarter of 2016 and the first six months of 2016 is further analysed as follows:

Group	Apr-Jun	April - Jun	Jan-Jun	Jan-Jun	Jan-Dec
	2016	2015	2016	2015	2015
	€	€	€	€	€
Organic revenue	7,272,987	3,022,852	12,760,759	4,978,767	13,862,266
Paid revenue	2,305,144	-	4,275,883	-	1,076,591
Total revenue	9,578,131	3,022,852	17,036,643	4,978,767	14,938,857

4. Trade and other payables

As at 30 June 2016, current trade and other payables included an amount of EUR 14.27 million (nil) which related to commitments made upon acquisition. The amount for the year ended 31 December 2015 amounted to EUR 8.18 million.

All non-current trade and other payables relate to amounts committed on acquisitions.

Notes to the condensed consolidated interim financial statements

5. Related party transactions

In view of its shareholding structure, the Group has no ultimate controlling party. All companies forming part of the Group, together with its shareholders, are considered by the directors to be related parties.

The following transactions were carried out with related parties:

a) Sales of services	Apr - Jun 2016	April - Jun 2015	Jan - Jun 2016	Jan - Jun 2015	Jan - Dec 2015
	€	€	€	€	€
Entities under common control	-	266,991	-	537,733	1,360,135
Entities with significant shareholding	616,923	-	1,374,495	-	-
b) Key management personnel	Apr - Jun 2016	April - Jun 2015	Jan - Jun 2016	Jan - Jun 2015	Jan - Dec 2015
	€	€	€	€	€
Loan repayment to	-	200,154	-	223,012	223,012
c) Other related party transactions	Apr - Jun 2016	April - Jun 2015	Jan - Jun 2016	Jan - Jun 2015	Jan - Dec 2015
	€	€	€	€	€
Recharges from:					
Entities under common control	-	-	-	43,992	60,603
Entities with significant shareholding *	377,500	-	616,562	-	-
Loan repayment from:					
Entities under common control	-	242,720	-	242,720	259,218

* Recharges from entities with significant shareholding include advisory and success fees to Optimizer Invest Limited in relation to acquisitions. These fees 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 income statement and other comprehensive income (unaudited)

	Apr - Jun 2016	29 May to 30 Jun 2015	Jan - Jun 2016	29 May to 31 Dec 2015
	€	€	€	€
Investment and related income	-	1,499,998	-	2,600,000
Personnel expenses	(28,766)	-	(51,448)	(29,158)
IPO related costs	-	-	(18,301)	(15,001)
Other operating expenses	(25,090)	(8,000)	(29,742)	-
Total operating expenses	(53,856)	(8,000)	(99,491)	(44,159)
Operating (loss) / profit	(53,856)	1,491,998	(99,491)	2,555,841
Finance expenses	(169,566)	-	-	-
Finance income	-	-	488,746	-
(Loss) / profit before tax	(223,422)	1,491,998	389,255	2,555,841
Tax expense	-	(403,845)	-	(700,000)
Profit for the period - total comprehensive income	(223,422)	1,088,153	389,255	1,855,841

Condensed Parent Company interim balance sheet (unaudited)

	30-Jun 2016	30-Jun 2015	31-Dec 2015
	€	€	€
ASSETS			
Non-current assets			
Investment in subsidiaries	131,526	1,454	54,988
Current assets			
Trade and other receivables	22,819,088	1,096,153	1,562,225
Cash and cash equivalents	4,749,947	16,358	97,496
Total current assets	27,569,035	1,112,511	1,659,721
Total assets	27,700,561	1,113,965	1,714,709
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	77,168	16,358	66,258
Share premium	26,271,285	-	999,793
Other reserves	374,619	-	62,420
Retained earnings	965,402	1,088,153	576,147
Total equity	27,688,474	1,104,511	1,704,618
Current liabilities			
Trade and other payables	12,087	9,454	10,091
Total liabilities	12,087	9,454	10,091
Total equity and liabilities	27,700,561	1,113,965	1,714,709

Definitions

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

Adjusted earnings per share

Profit/loss for the period in relation to the average number of shares in issue and outstanding over the period.

Adjusted operating profit

Operating profit for the year adjusted for non-recurring listing costs.

Adjusted operating profit margin

Adjusted operating profit divided by revenue.

Adjusted profit before tax

Profit before tax adjusted for non-recurring listing costs.

Adjusted profit before tax margin

Adjusted profit before tax divided by revenue.

Board

The Board of Directors of the company.

Company

Catena Media PLC, a company registered under the laws of Malta with registration number C 70858.

Earnings per share

Profit/loss for the period in relation to the average number of shares in issue over the period.

Equity/assets ratio

Equity at the end of period in relation to total assets at the end of period.

Group / Catena Media

The company and its subsidiaries.

NDC

New depositing customers.

Operating profit

Revenue less total operating expenses.

Operating profit margin

Operating profit divided by revenue.

Operating revenues

Revenues generated from operating activities.

Organic revenue

Revenue from SEO related service offering.

Paid revenue

Revenue earned from pay-per-click media channels.

Catena Media UK Limited (previously known as RCM)

Catena Media UK Limited, a company incorporated in the UK under the laws of England and Wales with registration number 07381409.