

Interim report – Q3 2016

Continuous strong growth and rising profits

Third quarter of 2016

- Revenues totalled EUR 10.73 million (4.06), an increase of 164 percent compared with the same quarter for the previous year.
- Adjusted operating profit excluding non-recurring IPO and bond expenses amounted to EUR 5.68 million (3.06), corresponding to an adjusted operating margin of 53 percent (75). Operating profit increased to EUR 4.65 million (2.66) corresponding to an operating margin of 43 percent (66).
- Profit before tax amounted to EUR 4.37 million (2.67) and excluding non-recurring IPO and bond expenses totalled EUR 5.41 million (3.08).
- New depositing customers (NDC) totalled 56,352 (19,266), an increase of 192 percent compared with the same quarter for the previous year and an increase of 19 percent when compared to the previous quarter.
- Earnings per share amounted to EUR 0.07617 (0.05715).

First nine months of 2016

- Revenues totalled EUR 27.76 million (9.04), an increase of 207 percent compared with the same period for the previous year.
- Adjusted operating profit excluding non-recurring IPO and bond expenses amounted to EUR 14.85 million (6.53), corresponding to an adjusted operating margin of 53 percent (72). Operating profit increased to EUR 12.90 million (6.08) corresponding to an operating margin of 46 percent (67).
- Profit before tax amounted to EUR 13.07 million (6.10) and excluding non-recurring IPO and bond expenses totalled EUR 15.02 million (6.55).
- NDCs totalled 137,610 (44,833), an increase of 207 percent compared with the same period for the previous year.
- Earnings per share amounted to EUR 0.24002 (0.13411).

Summary for the third quarter and first nine months of 2016

Group	Jul - Sep 2016	Jul - Sep 2015	Jan-Sep 2016	Jan - Sep 2015	Jan-Dec 2015
Operating revenues (€ '000)	10,726	4,062	27,763	9,041	14,939
Operating profit (€ '000)	4,645	2,655	12,899	6,078	8,983
Operating profit margin (%)	43%	65%	46%	67%	60%
Adjusted operating profit (€ '000)*	5,683	3,064	14,852	6,528	10,149
Adjusted operating margin (%)*	53%	75%	53%	72%	68%
Adjusted profit before tax (€ '000)*	5,409	3,079	15,022	6,547	10,165
Adjusted profit before tax margin(%)*	50%	76%	54%	72%	68%
Profit before tax (€ '000)	4,371	2,670	13,069	6,097	8,999
Earnings per share (€)	0.07617	0.05715	0.24002	0.13411	0.19880
NDC	56,352	19,266	137,610	44,833	69,331
Equity to asset ratio (%)	41%	55%	41%	55%	43%

*Adjusted for non-recurring IPO and bond costs of EUR 1.04 million in Q3 2016 and EUR 0.41 million in Q3 2015. Total IPO and bond costs for the first nine months of 2016 amounted to EUR 1.95 million (0.45). Total IPO costs for the year ended 31 December 2015 amounted to EUR 1.17 million.

Significant events during the third quarter

- On 19 June 2016 and effective as of 1 July 2016, the company 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 2.5 million, with an additional earn-out of a maximum of EUR 2.5 million.
- Catena Media issued a three-year secured bond loan for EUR 50 million with a final maturity in September 2019. The debt securities will bear a floating-rate coupon of Euribor 3m + 6.75 percent and be issued as part of a total programme of EUR 100 million. They were listed on Nasdaq Stockholm on 2 November 2016. The proceeds from the bond issue will be used to further strengthen Catena Media's position as one of Europe's leading online performance marketing and lead generation companies within iGaming and sportsbook.
- Furthermore, Catena Media has begun preparations for a move from Nasdaq First North Premiere to Nasdaq Stockholm's main list (Mid Cap). The work is proceeding according to plan.

Significant events after the reporting period

- On 3 October 2016, the company continued to establish its strong and fast growing position in the European lead generation market within iGaming. Through the acquisition of SBAT, a UK-based social media sports news, betting and tips website, the company will strengthen its focus on sports as well as its social media know-how. The purchase price amounted to EUR 3.2 million with an additional maximum earn-out of EUR 10.4 million.

164%

**Revenue Growth Q3
Q/Q**

53%

**Adjusted operating
margin**

56,352

NDCs

Comment from Robert Andersson, CEO

Catena Media's sales growth continued to be strong. In September we reached 20,000 New Depositing Clients (NDCs) for the first time in a single month. Our strict cost control and strong revenue growth resulted in a rising operating profit during the quarter. I am also very pleased with the considerable interest shown in our September bond issue — an injection that gives us the financial strength to fuel our growth plans going forward.

Looking back on the third quarter, we note once again the continued high pace of Catena Media's exciting journey. Revenues increased 164 percent compared with the same quarter for 2015. The third quarter was the first quarter that included the sports book vertical, where we noted strong organic growth from our own site, latestbettingsites.co.uk, while the newly acquired spelbloggare.se trended according to plan. During the quarter, we reached a strategically important milestone in September, when we reached 20,000 NDCs for the first time in a single month — solid evidence that we are on the right track in terms of sustainable growth in Catena Media.

Rising profit

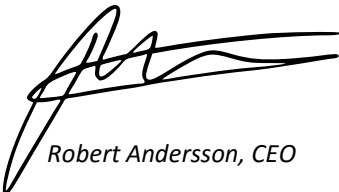
As a result of the acquisition of Right Casino Media in late 2015, and our entrance into the sports book vertical, both with a focus on Paid media, our operating margin decreased somewhat during the first half of 2016. As a result of our focus on operational excellence, including strict cost control and operational leverage, we have succeeded in achieving an adjusted operating profit of EUR 5.68 million, a 13.4 percent increase compared to the second quarter. We have achieved this notwithstanding a continuous recruitment campaign, which has increased our operating expenditure.

During the quarter, we have made a number of top-level recruitments. The new Head of Legal, Head of Investor Relations and Communications and Chief Technical Officer are now in place. At the same time, the need for new talented employees remains high and there are currently around 30 vacant opportunities at Catena Media.

EUR 50 million to further fuel growth plans

During September, we issued a three-year secured bond loan of EUR 50 million maturing in September 2019. There was substantial interest in the bond — proof that we have managed to build investor confidence in Catena Media's business model and growth plans. As we announced previously, we intend to use the bond primarily for acquisition financing. This aligns well with our successful strategy and our financial targets that remain unchanged. In fact, after the end of the quarter, we acquired the UK-based SBAT, a social media sports news, betting and tips website. The acquisition is strategic in the sense that it strengthens our position in the UK, in Paid media as well as in regulated markets.

With continuous revenue growth, increasing operating profits, a rising margin, improved financial capabilities and an inspired team, we are well equipped to continue to build on Catena Media's solid growth story.



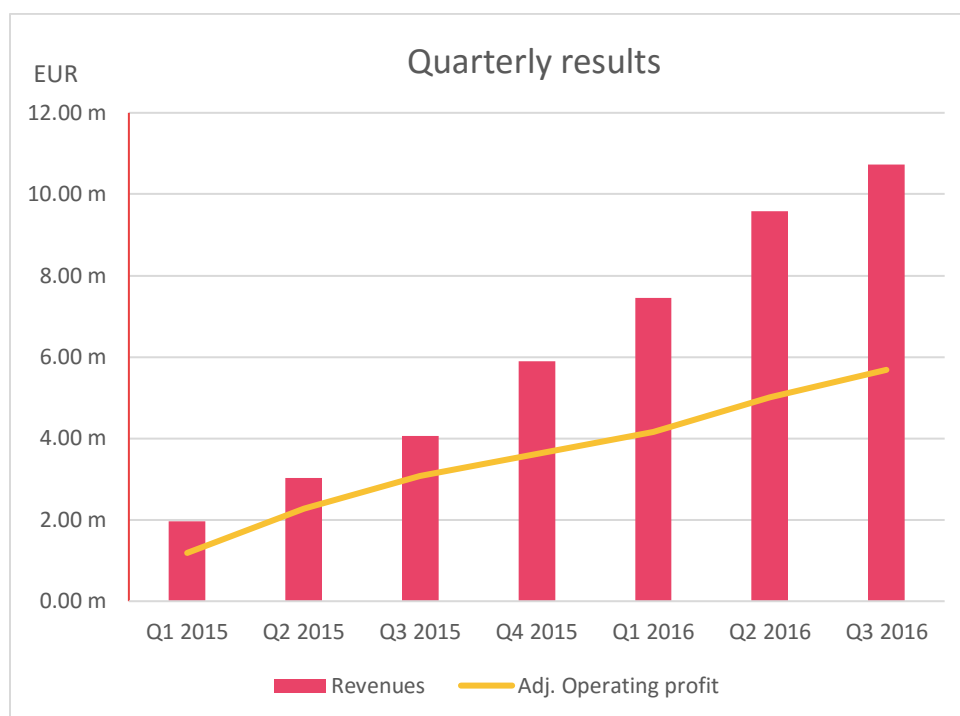
Robert Andersson, CEO

Financial performance during the third quarter of 2016

REVENUES

The Group's revenues totalled EUR 10.73 million (4.06) in the third quarter, corresponding to an increase of 164 percent compared with the same period in 2015. Search revenue represents EUR 7.89 million (4.06) of the total revenue. The increase in Search revenue was driven in part by organic growth and in part through the acquisitions made during the current period and prior year.

Paid revenue amounts to EUR 2.84 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 6.08 million (1.41). Direct costs related to Paid revenue represented the more significant expense component. These costs predominantly related to AdWords (Google spend) costs incurred by Catena Media UK Limited (formerly known as Right Casino Media Limited ('RCM')), and amounted to EUR 2.03 million (nil).

Personnel expenses amounted to EUR 1.59 million (0.51). The increase in personnel expenses was due to the recruitment of additional members of top and middle management and other employees across the organisation. The increase in headcount was further driven by the strong growth currently being experienced by the Group as well as a result of the Askgamblers.com acquisition. As a result, the headcount totalled 152 employees at the close of the third quarter this year compared to 51 employees at the close of the same quarter last year. 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 0.28 million (0.02). The increase in depreciation and amortisation was mainly attributable to the acquisition of competitor player databases during the prior year and the current period. Four percent of the cost of these acquisitions is being amortised 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.

EXPENSES (CONTINUED)

As a result of the rapid expansion, the Group witnessed an increase in other operating expenses including domain renewal fees for SEO efforts, external consultancy fees and server hosting fees. Other operating expenses amounted to EUR 1.14 million (0.48).

Costs relating to the bond issue of the Parent Company amounted to EUR 1 million (nil), whilst costs relating to the listing amounted to EUR 0.04 million (0.41).

EARNINGS

Operating profit for the third quarter of 2016 amounted to EUR 4.65 million (2.66), an increase of 75 percent compared to the corresponding quarter of the previous year. Adjusted operating profit amounted to EUR 5.68 million (3.06), corresponding to an adjusted operating margin of 53 percent (75). Operating profit included IPO and bond related costs of EUR 1.04 million (0.41). The decrease in operating margins is a result of the acquisition of Catena Media UK Limited (formerly known as Right Casino Media Limited ('RCM')) in November 2015 as referred to in the 'Expenses' section above.

Profit before tax amounted to EUR 4.37 million (2.67), an increase of 64 percent compared with the corresponding quarter in 2015.

Profit for the period amounted to EUR 3.92 million (2.52). Earnings per share amounted to EUR 0.07617 (0.05715).

For the quarter ended 30 September 2016, the Group had an effective tax rate of 10.4 percent.

INVESTMENTS

Investments in intangible assets, which consist of player databases, websites and domains, amounted to EUR 5.24 million (6.77) during the quarter.

Acquisitions of property, plant and equipment amounted to EUR 0.05 million (0.06).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

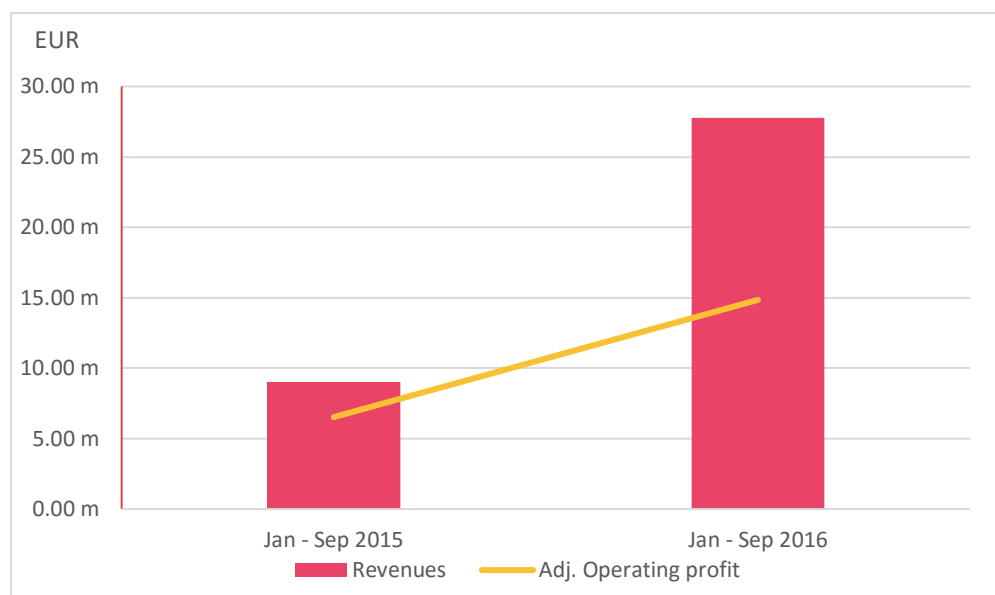
Cash from operating activities excluding the increase in short term earn-out liabilities relating to our recent acquisitions during the third quarter amounted to EUR 4.38 million (2.85). Cash flows used in investing activities were EUR 6.6 million (1.06) and were primarily attributable to the acquisitions that took place during the quarter. Cash flows from financing activities were EUR 49.1 million while the cash used in financing activities in the comparative quarter amounted to EUR 1.22 million. Cash and cash equivalents amounted to EUR 52.29 million (1.19) at the end of the quarter.

Financial performance during the first nine months of 2016

REVENUES

The Group's revenues totalled EUR 27.76 million (9.04) in the first nine months of 2016, corresponding to an increase of 207 percent compared with the same period of the previous year. Search revenue represents EUR 20.64 million (9.04) of total revenues for the period. The increase in Search revenue was driven in part by organic growth and in part through the acquisitions made during the current period and prior year.

Paid revenue amounts to EUR 7.12 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 14.86 million (2.96). Direct costs related to Paid revenue represented the more significant expense component. These costs predominantly related to AdWords (Google spend) costs incurred by Catena Media UK Limited (formerly known as Right Casino Media Limited ('RCM')), and amounted to EUR 4.98 million (nil).

Personnel expenses amounted to EUR 4.07 million (1.19). The increase in personnel expenses was due to the recruitment of additional members of top and middle management and other employees across the organisation. The increase in headcount was further driven by the strong growth currently being experienced by the Group as well as a result of the Askgamblers.com acquisition. As a result, the headcount totalled 152 employees at the close of the third quarter this year compared to 51 employees at the close of the same quarter last year. 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 0.69 million (0.03). 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 domain renewal fees for SEO efforts, external consultancy fees and server hosting fees. Other operating expenses amounted to EUR 3.17 million (1.30).

Non-recurring costs relating to the bond issue made by the Parent Company of EUR 1 million (nil) and costs relating to the listing of EUR 0.95 million (0.45) are included in operating expenses.

EARNINGS

Operating profit for the first nine months of 2016 amounted to EUR 12.9 million (6.08), an increase of 112 percent compared to the corresponding period of the previous year. Adjusted operating profit amounted to EUR 14.85 million (6.53), corresponding to an adjusted operating margin of 53 percent (72). Operating profit includes IPO and bond related costs of EUR 1.95 million (0.45). The decrease in operating margins is a result of the acquisition of Catena Media UK Limited (formerly known as Right Casino Media Limited ('RCM')) in November 2015 as referred to in the 'Expenses' section above.

Profit before tax amounted to EUR 13.07 million (6.10), an increase of 114 percent compared with the corresponding period in 2015.

Profit for the period amounted to EUR 12.08 million (5.51). Earnings per share amounted to EUR 0.24002 (0.13411).

For the first nine months of 2016, the Group had an effective tax rate of 7.6% percent.

INVESTMENTS

Investments in intangible assets, which consist of player databases, websites and domains, amounted to EUR 37.74 million (12.38) during the first nine months of 2016.

Acquisitions of property, plant and equipment amounted to EUR 0.29 million (0.16).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash from operating activities excluding the increase in short term earn-out liabilities relating to our recent acquisitions during the first nine months amounted to EUR 7.52million (5.67). Cash flows used in investing activities were EUR 30.70 million (1.9) and were primarily attributable to the acquisitions that took place during the period. Cash flows from financing activities were EUR 73.31 million while the amount used in the comparative period was EUR 3.15 million. Cash and cash equivalents amounted to EUR 52.29 million (1.19) 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

Shareholders in Catena Media as at 30 September 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%
Öresund Investment AB	3,030,303	5.89%
Swedbank Robur	3,030,303	5.89%
Carnegie Småbolagsfond	2,725,000	5.30%
LJFK Ltd	2,722,703	5.29%
Handelsbanken Fonder AB	2,239,877	4.35%
Knutsson Holdings AB	2,000,000	3.89%
Skandrenting AB (fully-owned by Erik Selin)	1,515,151	2.95%
Total top 10 shareholders	34,690,380	67.43%
Other shareholders	16,754,772	32.57%
Total	51,445,152	100%

Source: Euroclear

Other

PARENT COMPANY

Catena Media PLC is the ultimate holding company of the Group, (hereinafter referred to as the “Parent Company”) 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 third quarter of 2016. Bond and IPO costs in the third quarter of 2016 amounted to EUR 0.9 million (nil) whilst finance costs also relating to the bond issue amounted to EUR 0.26 million (nil) and are included in “Net losses on financial liability at fair value through profit or loss”. Personnel expenses amounted to EUR 0.04 million (nil), whilst other operating expenses amounted to EUR 0.05 million (0.03). The loss for the period amounted to EUR 1.24 million whilst profit for the comparative period amounted to EUR 1.87 million. The company’s cash and cash equivalents amounted to EUR 49.48 million (0.04), borrowings comprise debt securities issued during the period under review amounting to EUR 50.1 (nil) million and equity amounted to EUR 26.49 million (1.65) at the end of the quarter. No dividend was distributed during the third quarter of 2016.

EMPLOYEES

The Group’s total number of employees at 30 September 2016 amounted to 152 (51), of which 58 (22) were women and 94 (29) 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.

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

For further risks please see the Bond prospectus on catenamedia.com

On behalf of the Board:

KATHRYN MOORE BAKER
Chairperson

PER ANDERS HENRIK PERSSON EKDAHL
Director

Registered office

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Sliema SLM 1801
Malta

Financial calendar

Interim report Q3, 2016	November 17, 2016
Year-end report, 2016	February 15, 2017
Annual report, 2016	April 7, 2017
AGM	April 28, 2017
Interim report Q1, 2017	May 17, 2016
Interim report Q2, 2017	August 18, 2016
Interim report Q3, 2017	November 17, 2016

Contact details

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This information is information that Catena Media PLC is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, on November 17, 2016, at 07:00 a.m. CET.

Condensed consolidated interim statement of comprehensive income

Group		Jul - Sep 2016	Jul - Sep 2015	Jan-Sep 2016	Jan - Sep 2015	Jan-Dec 2015
	Notes	€ '000	€ '000	€ '000	€ '000	€ '000
Continuing operations						
Revenue	3	10,726	4,062	27,763	9,041	14,939
Direct costs related to Paid revenue		(2,031)	-	(4,976)	-	(735)
Personnel expenses		(1,594)	(507)	(4,074)	(1,188)	(2,024)
Depreciation and amortisation		(281)	(15)	(688)	(30)	(142)
IPO and bond related costs		(1,038)	(409)	(1,952)	(450)	(1,166)
Other operating expenses		(1,137)	(476)	(3,174)	(1,295)	(1,889)
Total operating expenses		(6,081)	(1,407)	(14,864)	(2,963)	(5,956)
Operating profit		4,645	2,655	12,899	6,078	8,983
Net losses on financial liability at fair value through profit or loss		(255)	-	(255)	-	-
Finance costs		(19)	-	(19)	(7)	(10)
Finance income		-	-	444	6	6
Other non-operating income		-	15	-	20	20
Profit before tax		4,371	2,670	13,069	6,097	8,999
Tax expense		(453)	(146)	(989)	(587)	(685)
Profit for the period / year from continuing operations		3,918	2,524	12,080	5,510	8,314
Discontinued operations						
Loss for the period from discontinued operations		-	-	-	(82)	(82)
Other comprehensive income						
Currency translation differences		(20)	-	(43)	-	(1)
Profit for the period / year - total comprehensive income		3,898	2,524	12,037	5,428	8,231

The notes on pages 17 to 19 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of comprehensive income (continued)

Group	Jul - Sep	Jul - Sep	Jan-Sep	Jan - Sep	Jan-Dec
	2016	2015	2016	2015	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	0.07617	0.05715	0.24002	0.13614	0.20079
From discontinuing operations	-	-	-	(0.00203)	(0.00199)
From profit for the period / year	0.07617	0.05715	0.24002	0.13411	0.19880
Diluted earnings per share					
From continuing operations	0.07591	0.05692	0.23919	0.13555	0.19994
From discontinuing operations	-	-	-	(0.00202)	(0.00198)
From profit for the period / year	0.07591	0.05692	0.23919	0.13353	0.19796

The notes on pages 17 to 19 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim balance sheet

Group	Notes	30-Sep 2016	30-Sep 2015	31-Dec 2015
		€ '000	€ '000	€ '000
ASSETS				
Non-current assets				
Goodwill		7,333	-	7,333
Other intangible assets	4	51,481	13,419	14,342
Property, plant and equipment		657	212	416
Total non-current assets		59,471	13,631	22,091
Current assets				
Trade and other receivables		9,611	2,644	4,296
Deferred tax assets		1,142	-	1,127
Deferred listing costs		-	113	291
Cash and cash equivalents		52,285	1,189	1,529
Total current assets		63,038	3,946	7,243
Total assets		122,509	17,577	29,334
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		77	17	66
Share premium		25,741	1,000	1,000
Other reserves		5,365	5,037	5,073
Retained earnings		18,577	3,694	6,497
Total equity		49,760	9,748	12,636
Liabilities				
Non-current liabilities				
Borrowings	5	50,125	-	-
Trade and other payables	6	5,665	-	2,640
Deferred tax liabilities		1,651	185	1,032
Total non-current liabilities		57,441	185	3,672
Current liabilities				
Trade and other payables	6	13,462	5,726	10,692
Current tax liabilities		1,846	1,918	2,334
Total current liabilities		15,308	7,644	13,026
Total liabilities		72,749	7,829	16,698
Total equity and liabilities		122,509	17,577	29,334

The notes on pages 17 to 19 are an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements on pages 10 to 19 were authorised for issue by the Board on 16 November 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

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

The notes on pages 17 to 19 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity (continued)

Group	Attributable to owners of the parent				Non-controlling interest	Total equity
	Share capital	Other reserves	Share premium	Retained earnings		
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Balance at 1 January 2015	1	(5)	-	1,261	5	1,262
Comprehensive income						
Profit for the period	-	-	-	5,428	-	5,428
Total comprehensive income for the period	-	-	-	5,428	-	5,428
Transactions with owners						
Issue of share capital (before reorganisation)	-	5,000	-	-	-	5,000
Issue of share capital (after reorganisation)	17	-	1,000	-	-	1,017
Dividends distributed during the period	-	-	-	(2,995)	-	(2,995)
Equity-settled share-based payments	-	37	-	-	-	37
Total transactions with owners	17	5,037	1,000	(2,995)	-	3,059
Adjustments relating to reorganisation						
Reorganisation of the Group	(1)	5	-	-	(5)	(1)
Balance at 30 September 2015	17	5,037	1,000	3,694	-	9,748

The notes on pages 17 to 19 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of changes in equity (continued)

Group	Attributable to owners of the parent				Non-controlling interest € '000	Total equity € '000
	Share capital € '000	Other reserves € '000	Share premium € '000	Retained earnings € '000		
	Balance at 1 January 2015	1	(5)	-		
Comprehensive income						
Profit for the period	-	-	-	8,232	-	8,232
Foreign currency translation movement	-	(1)	-	-	-	(1)
Total comprehensive income for the period	-	(1)	-	8,232	-	8,231
Transactions with owners						
Issue of share capital (before reorganisation)	-	5,000	-	-	-	5,000
Issue of share capital (after reorganisation)	66	-	1,000	-	-	1,066
Dividends distributed during the period	-	-	-	(2,996)	-	(2,996)
Equity-settled share-based payments	-	74	-	-	-	74
Total transactions with owners	66	5,074	1,000	(2,996)	-	3,144
Adjustments relating to reorganisation						
Reorganisation of the Group	(1)	5	-	-	(5)	(1)
Balance as at 31 December 2015	66	5,073	1,000	6,497	-	12,636

The notes on pages 17 to 19 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of cash flows

Group	Jul - Sep	Jul - Sep	Jan - Sep	Jan - Sep	Jan - Dec
	2016	2015	2016	2015	2015
	€ '000	€ '000	€ '000	€ '000	€ '000
Cash flows from operating activities					
Profit before tax including discontinued operations	4,371	2,671	13,069	6,015	8,916
Adjustments for:					
Loss on disposal	-	-	-	78	78
Depreciation and amortisation	281	15	688	30	142
Impairment of receivables	-	-	89	-	32
Unrealised exchange differences	(54)	-	(498)	7	-
Interest expense	2	-	2	(6)	10
Interest income	-	-	-	-	(6)
Net losses on financial liability at fair value through profit or loss	255	-	255	-	-
Share based payments	34	-	99	-	-
	4,889	2,686	13,704	6,124	9,172
Changes in:					
Trade and other receivables	(1,520)	(419)	(5,405)	(462)	(2,040)
Trade and other payables	1,006	584	33	10	1,238
Cash from operating activities	4,375	2,851	8,332	5,672	8,370
Interest received	-	-	-	6	6
Taxation paid	-	-	(811)	-	-
Net cash generated from operating activities	4,375	2,851	7,521	5,678	8,376
Cash flows used in investing activities					
Acquisition of property, plant and equipment	(129)	(63)	(286)	(159)	(375)
Acquisition of intangible assets	(6,469)	(1,000)	(30,414)	(1,608)	(3,863)
Net cash upon disposal	-	-	-	(129)	(21)
Interest paid	(2)	-	(2)	-	(3)
Net cash used in investing activities	(6,600)	(1,063)	(30,702)	(1,896)	(4,262)
Cash flows from financing activities					
Net proceeds received on issuance of share capital	-	-	24,208	16	66
Dividends paid	-	(1,230)	-	(2,945)	(2,995)
Net movement on loans	-	-	-	(223)	(223)
Net proceeds on issue of bond	49,100	-	49,100	-	-
Proceeds from share warrants	-	7	-	7	17
Interest paid	-	-	-	(7)	(7)
Net cash generated from/(used in) financing activities	49,100	(1,223)	73,308	(3,152)	(3,142)
Net movement in cash and cash equivalents	46,875	565	50,127	630	972
Cash and cash equivalents at beginning of period / year	5,418	624	1,529	554	554
Currency translation differences	(8)	-	629	5	3
Cash and cash equivalents at end of period / year	52,285	1,189	52,285	1,189	1,529

The notes on pages 17 to 19 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 is a limited liability company and is incorporated in Malta. The Parent 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, except as referred to below. 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.

Financial instruments at fair value through profit or loss

During the period under review, the Parent Company issued debt securities. This financial instrument has been designated by management as a financial liability at fair value through profit or loss since it contains an embedded derivative that may significantly modify the resulting cashflows. The fair value designation, once made, is irrevocable.

Financial instruments at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Subsequent measurement is at fair value and all gains/losses from the liability, including fair value movements and interest expenses are reported in the income statement as “Net losses on financial liability at fair value through profit or loss”.

See note 5 for the fair value disclosures in respect of these issued debt securities.

2.1 Basis of preparation

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

The Parent Company was incorporated on 29 May 2015 under the terms of the Maltese Companies Act, 1995. On 1 June 2015, the Parent 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 Catena Media PLC became the new parent company of Catena Operations Limited. Accordingly, the shareholders of the company were 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.

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 September 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 third quarter of 2016 and the first nine months of 2016 is further analysed as follows:

Group	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
	2016	2015	2016	2015	2015
	€ '000	€ '000	€ '000	€ '000	€ '000
Search revenue	7,883	4,062	20,644	9,041	13,862
Paid revenue	2,843	-	7,119	-	1,077
Total revenue	10,726	4,062	27,763	9,041	14,939

4. OTHER INTANGIBLE ASSETS

During the period under review, the Group acquired a number of websites, domains and player databases. Additions for the period amounted to EUR 37.74 million (12.38), 4 percent of which have been allocated to player databases and are being amortised over three years.

5. BORROWINGS

Borrowings comprise a three-year secured bond loan amounting to EUR 50 million, which matures in September 2019. The bond loan is secured by the shares of the Parent Company in its material operating subsidiaries and any other material subsidiaries that may be owned directly or indirectly from time to time by the Parent Company. The debt securities bear a floating rate coupon of Euribor 3m + 6.75 percent. Euribor 3m is subject to a floor of 0 percent; additionally, the bond contains an early redemption option with the redemption price set in accordance with a mechanism as set out in the prospectus.

The bond was issued on 16 September 2016 and was subsequently listed on the Nasdaq Stockholm AB on 2 November 2016 at a price of €100.

The fair value of the bond, which at reporting date amounted to EUR 50.125 million, was determined by reference to the issue price (par value); the directors considered that there were no significant changes in market forces in the intervening period between the issue date and the reporting date.

Accordingly, the bond's fair value has been categorised within the IFRS 13 fair value hierarchy as Level 2.

Notes to the condensed consolidated interim financial statements

6. TRADE AND OTHER PAYABLES

As at 30 September 2016, current liabilities included an amount of EUR 11.72 million (nil) which related to commitments made upon acquisition. The amount was EUR 8.18 million as at 31 December 2015.

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

7. 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:

	Jul - Sep 2016	Jul - Sep 2015	Jan - Sep 2016	Jan - Sep 2015	Jan - Dec 2015
	€ '000	€ '000	€ '000	€ '000	€ '000
a) Sales of services					
Entities under common control	-	342	-	885	1,360
Entities with significant shareholding	535	-	3,761	-	-
b) Key management personnel					
Loan repayment to	-	-	-	223	223
c) Other related party transactions					
Purchases of services:					
Entities under common control	-	-	-	50	61
Entities with significant shareholding *	265	-	882	-	-
Loan repayment from:					
Entities under common control	-	-	-	259	259

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



Independent auditor's review

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

INTRODUCTION

We have reviewed the accompanying condensed consolidated interim statement of financial position of Catena Media p.l.c. and its subsidiaries (the "Group") as of 30 September 2016 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 fair presentation of these condensed consolidated interim financial statements in accordance International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers

78 Mill Street
Qormi
Malta

Romina Soler
Partner

16 November 2016

Condensed Parent Company interim income statement and other comprehensive income

	July - Sep 2016	29 May to 30 Sep 2015	Jan - Sep 2016	29 May to 31 Dec 2015
	€ '000	€ '000	€ '000	€ '000
Investment and related income	-	2,600	-	2,600
Personnel expenses	(40)	-	(92)	(29)
IPO and bond related costs	(900)	-	(918)	(15)
Other operating expenses	(47)	(28)	(77)	-
Total operating expenses	(987)	(28)	(1,087)	(44)
Operating (loss)/profit	(987)	2,572	(1,087)	2,556
Net losses on financial liability at fair value through profit or loss	(255)	-	(255)	-
Finance expenses	(2)	-	(2)	-
Finance income	10	-	499	-
(Loss)/profit before tax	(1,234)	2,572	(845)	2,556
Tax expense	-	(700)	-	(700)
(Loss)/profit for the period - total comprehensive income	(1,234)	1,872	(845)	1,856

Condensed Parent Company interim balance sheet

	Notes	30-Sep 2016	30-Sep 2015	31-Dec 2015
		€ '000	€ '000	€ '000
ASSETS				
Non-current assets				
Investment in subsidiaries		166	31	55
Current assets				
Trade and other receivables		27,099	1,631	1,562
Cash and cash equivalents		49,484	41	97
Total current assets		76,583	1,672	1,659
Total assets		76,749	1,703	1,714
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		77	17	66
Share premium		26,271	1,000	1,000
Other reserves		409	37	62
(Accumulated losses)/retained earnings		(269)	592	576
Total equity		26,488	1,646	1,704
Liabilities				
Non-current liabilities				
Borrowings	5	50,125	-	-
Total non-current liabilities		50,125	-	-
Current liabilities				
Trade and other payables		136	57	10
Total current liabilities		136	57	10
Total liabilities		50,261	57	10
Total equity and liabilities		76,749	1,703	1,714

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	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.