Interim Report Jan-Mar 2019 | Q1

- Revenues totalled EUR 5.24 (3.46) million, an increase of 52%. The organic growth rate was 50% (98% of total growth).
- Adjusted EBITDA excluding non-recurring costs totalled EUR 1.75 (1.32) million, an increase of 33%, corresponding to an adjusted EBITDA margin of 33 (38) %
- EBITDA totalled EUR 1.75 (0.99) million, an increase of 76%, corresponding to an EBITDA margin of 33 (29) %
- Net cash generated from operating activities was EUR 1.05 (0.93) million
- New Depositing Customers (NDCs) totalled 26,525 (15,984), an increase of 66%

SIGNIFICANT EVENTS DURING THE FIRST QUARTER 2019

- **Approval to Expand Business In New Jersey** | The Group has been granted approval by the New Jersey Division of Gaming Enforcement to expand business deals with operators to include revenue sharing components.
- **American Gambling Awards by Gambling.com** | The Group announced a new annual awards program aiming to recognise excellence in the American market for regulated online gambling. The results of the program will be announced in the second quarter.
- **Sale of Treasury Bonds** | The Group has sold treasury bonds with a nominal value of EUR 0.1 million thus increasing net borrowing from the senior bonds issued at 22 October 2018 to EUR 15.6 million at the quarter end.
- **Eur 7,100,000 Convertible Notes Issue 2017/2019** | The Group redeemed early, part of the Notes with a principal value of EUR 0.1 million. The remaining balance matures on 30th June 2019.
- **Department of Justice Wire Act Re-Interpretation** | The United States Department of Justice released an opinion which re-interpreted the Department's own opinion on the Wire Act from 2011. The ramifications of the new opinion are not yet clear but could create headwinds for the roll-out of regulated online gambling in the United States.
- **Regulation of Swedish Online Gambling Market** | As of January 1, 2019 the Swedish market is locally regulated and taxed. We have seen our Swedish assets perform well in terms of NDC production but with a commensurate decrease in player value.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

- **New US States Legislation** | Indiana, Iowa, Montana, and Tennessee took measures to authorize sports betting.
- **Gambling.Com Joins The Fantasy Sports & Gaming Association ("FSGA") Board Of Directors** | In April 2019 the Group represented by Gavin Walters, the Group's director of business development, was appointed to the FSGA Board of Directors.
- **Membership Of The Associated Press Sports Editors ("APSE")** | The Executive Committee of APSE has granted membership to Gambling.com Group Plc thus the Group becomes the first member of APSE focused on covering the emerging sports betting market in the United States.
- **Publication Of Annual Report** | The 2018 Annual Report and consolidated Financial Statements was published on April 25 and is available on the official website of the Group (www. gambling.com/corporate).
- **Increase In United Kingdom Remote Gaming Duty** | The UK government has announced an increase in Remote Gaming Duty on operators from 15% to 21% with effect from April 1st, 2019.

CEO COMMENTS

The Group delivered yet another record quarter. Revenue grew 52% to EUR 5.24 million compared to Q1 2018. Virtually all of the growth was organic. Q1 EBITDA was also a record at EUR 1.75 million.

Continued record traffic and new depositing customers (NDCs) production

The Group's assets have continued to perform across the board. NDC production reached a new record high during the first quarter, despite the implementation of the new Swedish gambling regulations at the start of the year.

Regulated US sports betting developments

The New Jersey market continues to show strength both in terms of number of bets and number of operators and the New Jersey regulatory framework remains a strong example for other states to benchmark against. The Pennsylvania Gaming Control Board has announced the opening of the mobile sports betting market potentially as soon as May 2019 and online casino in July 2019. The Group has secured approval in New Jersey to expand commercial agreements to include revenue share components in addition to CPA deals, and have applied for a Pennsylvania licence.

Substantial progress has been made in the past weeks toward opening up additional US States for legal, online sports betting. As of the time of writing, 15 states plus Washington DC either have legal sports betting today or have passed laws to launch it. 26 more states have introduced sports betting bills, 15 states of which still have their 2019 legislative sessions open. Only 9 states have now failed to make any effort on sports betting in 2019. The quality of the legislation varies, and many bills do not facilitate a viable online gambling market in their current forms, but the trend is positive and we expect regulatory frameworks to evolve towards facilitating viable online markets over time.

Indiana, Iowa, Montana and especially Tennessee are the latest victories. Tennessee is setting a new standard with a mobile-only regime whereby there will not be any limit to the number of licenses available to gambling operators and there is no requirement to partner with an endemic, land-based operator. The tax rate and fees are on the high side, but we expect it to be a great market on balance.

The Group has seen strong recent growth in traffic from the US market but from a relatively small base and the US market remains a source of growth for the mid and long term rather than a major revenue generator at present.

Changes in the European regulatory landscape

The Group has absorbed the effects of the implementation of the new Swedish gambling regime as of the beginning of the year. NDC production remained strong in the quarter but NDC values have decreased and Swedish revenue fluctuated more than usual as our clients came to grips with the new regulations. The Group expects the market to stabilize and grow from here.

From April 1st, 2019, the Group is also absorbing the increase in Remote Gaming Duty from 15% to 21% in the Group's largest market, the United Kingdom dampening UK growth prospects somewhat.

Italy has clarified its proposed gambling advertising ban leaving room for non-prospecting performance marketing activities to remain. The Group supports this stance; the consumer should be able to actively seek out advice and compare the various offers available to them. The affiliate's role in the gambling advertising eco-system is a value-add to the consumer and not the kind of predatory marketing the Italian regulator was aiming to stop. With fewer advertising options available to the operators the affiliate channel will play an increasingly important role in the market and the Group is re-assigning resources back to our Italian assets and in particular the Italian version of Gambling.com which is showing great signs of promise.

Organisational developments

As planned, the Group is investing for the future with a particular focus on US-focused product development by rapidly scaling its product and technology teams. This has put downward pressure on EBITDA margins as compared to last year. The Group ended the quarter with 117 full-time resources. Sustained, high organic growth of the type that the Group has been delivering simply requires investment in the business and in particular in people.

Operational results

Operationally we saw continued strong growth in the first quarter with revenue of EUR 5.24 million representing growth of 52% compared with the same period last year and NDCs totalling 26,525, representing growth of 66% compared with the same period last year. The growth was led almost exclusively by organic growth in earned revenue. 83% of the Group's revenue from the first quarter was derived from locally regulated and taxed markets.

As we are now entering the seasonally low period for our sector, the internal focus will shift to completing some major technology projects and continuing to put in the foundation for the next several years of growth, both in the United States and in Europe.

Charles Gillespie
Chief Executive Officer

CONSOLIDATED KEY RATIOS

	Jan – March 2019	Jan – March 2018	Jan – Dec 2018
Financial measures defined by IFRS			
Operating Revenue (EUR'000)	**5,244**	3,458	16,233
Operating Profit (EUR'000)	**1,506**	839	4,348
Operating Profit margin (%)	**29%**	24%	27%
Adjusted Operating Profit (EUR'000)	**1,506**	1,158	5,197
Adjusted Operating Profit margin (%)	**29%**	33%	32%
Alternative performance measures			
Adjusted EBITDA (EUR'000)	**1,753**	1,316	5,824
Adjusted EBITDA margin (%)	**33%**	38%	36%
EBITDA (EUR'000)	**1,753**	997	4,975
EBITDA margin (%)	**33%**	29%	31%
NDCs	**26,525**	15,984	74,838
Total assets (EUR '000)	**36,630**	39,520	34,510
NIBD / TTM Adjusted EBITDA	**2.2**	3.3	2.4
Average number of employees	**101**	35	50

Some financial measures presented in this interim report are not defined by IFRS. Such measures may provide valuable additional information to investors and management for evaluating the performance and position of the Group. These measures are defined on the last page of this report and may not necessarily be comparable to similarly titled measures of other companies and should not be considered substitutes to financial reporting measures prepared in accordance with IFRS.

FINANCIAL REVIEW

Revenues | Revenue in the first quarter totalled EUR 5.24 (3.46) million an increase of 52% compared to the corresponding period in the previous year. The organic growth rate amounted to 50% representing 98% of total growth. The organic growth rate excluding paid revenue amounted to 65%.

Of the first quarter revenue EUR 4.59 (2.75) million was earned revenue and EUR 0.66 (0.71) million was paid revenue.

Approximately 83% of total revenue derived from locally regulated markets in the first quarter.

Expenses | Total operating expenses for the first quarter amounted to EUR 3.75 (2.62) million.

Direct costs related to paid revenue amounted to EUR 0.57 (0.66) million in the first quarter resulting in gross margins of 89% (81%) for the period.

The Group has continued to significantly scale up its operational resources and continued to invest for the future in product and software development and content creation with a heavy focus on products for the regulated US markets, but also further expansion in European markets, and particularly within the sports vertical. This has put some downward pressure on Adjusted EBITDA margins in the quarter as compared to the corresponding period in the previous year.

Financial items included movements in fair value of the Bond and Notes of EUR neg. 0.03 (Nil) million in the first quarter based on the directors' assessment of the probability of conversion, maturity, and early redemption of the Bond and Notes.

Financial items for the current quarter otherwise consisted primarily of interest expenses deriving from the 2019 Notes and the 2021 Bond, and deemed interest derived from long-term lease liabilities (being a result of IFRS 16 application).

Tax charges amounted to EUR 0.06 (Nil) million in the first quarter. Tax charges primarily relates to movements in deferred tax and theoretical tax charge for the first quarter due by one of the subsidiaries of the Group.

Earnings | Adjusted EBITDA (excluding non-recurring costs) for the first quarter totalled EUR 1.75 (1.32) million, an increase of 33% compared to the corresponding period in the previous year resulting in an adjusted EBITDA margin of 33% (38%).

EBITDA (including non-recurring costs) for the first quarter totalled EUR 1.75 (0.99) million an increase of 76% compared to the corresponding period in the previous year resulting in an EBITDA margin of 33% (29%).

Investments | Net investments in intangible assets amounted to EUR nil (5.90) in the first quarter. The additions made in the first quarter 2018 comprised of a major mobile application performance marketing network and bookies.com and related assets completed in January and February, respectively.

The Group made investments in fixed property of EUR 0.05 (0.22) million in the first quarter mostly related to the Dublin office.

Funding | The Group is funded through equity, the 2021 Bond and part of the 2019 Notes (redemption of 63% of nominal balance was agreed in in the fourth quarter of 2018) with a combined nominal value of EUR 18.13 million, EUR 2.53 million of which matures in June 2019 and EUR 15.6 million of which matures in October 2021. As per the quarter end the Group held EUR 0.4 million of 2021 Bonds in treasury which have been netted within Borrowings. The 2019 Notes and the 2021 Notes carry interest at 10% and 10.5%, respectively. The 2019 Notes would be converted into equity of Gambling. com Group Plc in the event of an IPO or change of control event prior to maturity at a discount to the price per share established in an IPO or change of control event and are convertible at the option of the Note holder at maturity at a valuation of 10x TTM EBITDA. The 2021 Bond has early redemption rights embedded from April 2020 until maturity in October 2021 (full terms set out in the 2021 Bond prospectus).

The Bond and Notes balances exceed the nominal value and accrued interest of the Bond and Notes by EUR 0.93 (5.44) million included within Borrowings; this represents the fair value as of the period end of the embedded option of early redemption, the expected cost of conversion, or maturity payment of the Bond and Notes.

Liquidity and Cashflow | Cash and cash equivalents amounted to EUR 3.75 (2.63) million at the end of the reporting period. Liquidity is primarily deposited in accounts with European banks. The Group had positive cashflow and strong cash conversion from operating activities. Cashflow from operating activities before changes in working capital amounted to EUR 1.84 (0.97) million in the first quarter.

Cashflow used in investing activities for the current period related to office equipment purchases. Cash outflow for the comparative period comprised primarily of cash payments for the acquisitions of a mobile application performance marketing network, bookies.com and related assets, and contingent earn-out payments for previous acquisitions.

Cashflow used in financing activities in the first quarter related to settlements made on behalf of 2019 Note holders being outstanding from a redemption agreed in October 2018, scheduled interest payments, and proceeds received from sale of treasury bonds. Rent payments for long term leases are presented as a part of financing cashflows as a result of changes in IFRS requirements. Cashflow from financing activities for the comparative period related to the transfer of proceeds from convertible debentures raised in 2017 from an investment bank to the Group, transaction costs incurred upon issuance of 2020 Notes and scheduled interest payments made.

OTHER

Employees | The average number of employees in the Group in the first quarter amounted to 101 (35). The number of employees at the end of the first quarter amounted to 111 (38) and the total full-time workforce (including consultants) was 117.

Parent company | The ultimate parent company is Gambling.com Group Plc (the “Company”) incorporated in Malta for the purpose of managing investments in subsidiaries; obtaining financing from third parties on behalf of the Group and coordinating financing amongst its subsidiaries. During the first quarter no dividends were received from subsidiaries.

Share capital | As of March 31st, 2019, the share capital of the Company amounted to EUR 50,000 divided into 25,000,000 ordinary shares. The shares are not publicly traded.

Share options | No changes in share options composition took place during the first quarter. In the prior year the Company issued 1.75 million share options to management and directors paid for at fair market value. Maximum dilution from total issued share options is approximately 8% of share capital.

Essential risks and uncertainty factors | The Group's primary operational risks are its reliance on search engine rankings and pay per click advertising capabilities to maintain and improve its traffic acquisition abilities. It is possible that search engines including Google, Yahoo, and Bing could adopt strategies that could negatively impact the Group's traffic acquisition. The Group has adopted a conservative and long-term approach to search engine optimisation based on best practice.

The Group is also a subject to compliance risks in the form of changes to, or introduction of, new or updated regulatory frameworks for its clients (operators). Regulation of a market could present both risks and opportunities and the Group has a positive general view on regulation. The vast majority of the Group's revenue is derived from locally regulated markets.

Other essential business risks consist of the ability to retain customers and employees, the general macro environment, strategic, operational and financial risks.

For more detailed information about essential risks and risk management, please refer to the annual report for 2018 and the 2021 Bond prospectus.

Changes in Legislation | The introduction of locally regulated online gambling in Sweden gives long term legal certainty for the Swedish market which remains the second largest revenue source of the Group. The introduction of a consumption tax on operators as from 1st January 2019 impacted negatively average player values in the first quarter but the Group looks favourably upon the potential for increased market growth and further marketing channels opening up in the mid-term.

In January 2019, the Department of Justice (DOJ) released an opinion which re-interpreted the Department's own 2011 opinion on what the 1961 Wire Act covers. The Group's assessment is that the re-interpretation could complicate payment solutions for the US gaming industry and have a chilling effect on the approval and roll-out of new state regulation in the short term. In the longer run, however, the Group retains a positive outlook on continuous state regulation of US sports betting.

The UK government announced an increase in Remote Gaming Duty on operators from 15% to 21% with effect from April 1st, 2019. The UK is the Group's largest market constituting approximately 65% of Group revenue in the first quarter. The Group expects the tax increase to have a limited negative effect on average player values.

The UK Gambling Commission has been very active in enforcing marketing regulations with hefty penalties having been levied on operators for non-compliance. The Group looks favourably on the increased compliance focus, has not been involved in such non-compliance activities and retains strong long-term relationships with the major UK operators.

Auditors review | This interim report has not been reviewed by the Group's auditors.

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 Company, and describes the significant risks and uncertainties faced by the companies in the Group.

May 22nd, 2019

Charles Gillespie
On behalf of the board of directors

ABOUT GAMBLING.COM GROUP PLC

Gambling.com Group Plc is a multi-award-winning provider of digital marketing services for the global iGaming industry. Founded in 2006, the Group has a workforce of over 110 and operates from offices in Malta, Dublin and Tampa. The Group publishes websites that offer comparisons and reviews of online gambling websites in 15 national markets in 9 languages. Players use these resources to select which online gambling operators they should trust to offer a safe and honest online gambling experience. The Group's publishing assets include the leading iGaming industry portal, Gambling.com® as well as Bookies.com and the CasinoSource℠ series of portals, among many others.

STATEMENT OF COMPREHENSIVE INCOME – GROUP

	Jan – March 2019	Jan – March 2018	Jan – Dec 2018
Revenues	**5,244**	3,458	16,233
Total revenue	**5,244**	3,458	16,233
Direct costs related to paid revenue	**(571)**	(655)	(2,584)
Personnel expenses	**(1,612)**	(668)	(3,851)
Depreciation and amortization	**(246)**	(158)	(627)
Non-recurring costs related to financing and investing	**(1)**	(319)	(849)
Other operating expenses	**(1,316)**	(819)	(3,974)
Operating profit, EBIT	**1,498**	839	4,348
Interest payable on borrowings	**(468)**	(395)	(1,655)
Other (losses)/gains on financial liability at fair value through profit and loss	**(27)**	–	3,743
Finance income	**22**	–	166
Finance costs	**(56)**	(139)	(1,057)
Profit before tax, EBT	**969**	305	5,545
Tax expenses	**(62)**	–	(115)
Total comprehensive profit for the period	**907**	305	5,430

All amounts are presented in EUR’000 unless stated otherwise.

STATEMENT OF FINANCIAL POSITION – GROUP

	March 31 2019	Dec 31 2018
ASSETS		
Non-current assets		
Intangible assets	**27,143**	27,314
Property and equipment	**447**	414
Right-to-use asset	**1,915**	–
Deferred tax	**129**	130
Total non-current assets	**29,634**	27,858
Current assets		
Trade and other receivables	**3,250**	2,771
Cash and cash equivalents	**3,746**	3,881
Total current assets	**6,996**	6,652
TOTAL ASSETS	**36,630**	34,510
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	**50**	50
Capital reserve	**8,574**	8,574
Share option reserve	**112**	112
Retained earnings	**3,108**	2,191
Total equity attributable to the equity holders of the parent	**11,844**	10,927
Non-current liabilities		
Borrowings	**16,526**	16,399
Lease liability	**1,618**	–
Total non-current liabilities	**18,144**	16,399
Current liabilities		
Trade and other payables	**1,124**	1,330
Borrowings and accrued interest	**3,293**	3,191
Amounts committed on acquisition	**1,359**	1,283
Lease liability	**316**	–
Current tax liability	**50**	–
Other liabilities	**500**	1,380
Total current liabilities	**6,642**	7,184
TOTAL LIABILITIES	**24,786**	23,583
TOTAL EQUITY AND LIABILITIES	**36,630**	34,510

All amounts are presented in EUR'000 unless stated otherwise.

STATEMENT OF CHANGES IN EQUITY – GROUP

	Jan – March 2019	Jan – March 2018	Jan – Dec 2018
Opening balance at beginning of period	**10,927**	5,591	5,591
Comprehensive income			
Profit for the period	**907**	305	5,430
Transactions with owners			
Movements in share options' reserve	–	–	(86)
Movements in other reserves	–	–	(8)
Closing balance for the period	**11,844**	5,896	10,927

All amounts are presented in EUR'000 unless stated otherwise.

STATEMENT OF CASH FLOWS – GROUP

	Jan – March 2019	Jan – March 2018	Jan – Dec 2018
Cash flows from operating activities			
Operating profit	**1,498**	839	4,348
Adjustments for non-cash items:			
Depreciation and amortisation	**246**	158	627
Movements in impairment allowance	**100**	(31)	169
Income tax paid	**–**	–	(675)
Cash-flows from operating activities before changes in working capital	**1,844**	966	4,469
Changes in working capital			
Trade and other receivables	**(566)**	576	(1,291)
Trade and other payables	**(231)**	(609)	1,123
Net cash generated from operating activities	**1,047**	933	4,301
Investing activities			
Acquisition of property, plant and equipment	**(52)**	(216)	(416)
Acquisition of intangible assets	**–**	(5,899)	(9,588)
Cash-flows used in investing activates	**(52)**	(6,115)	(10,004)
Financing activities			
Proceeds from issuance of promissory notes	**100**	7,422	23,204
Repayment of promissory notes	**(980)**	–	(12,786)
Interest paid	**(266)**	(1,047)	(1,818)
Payment of lease	**(79)**	–	–
Transaction costs paid on promissory note	**–**	(137)	(587)
Cash-flow (used in)/generated from financing activities	**(1,225)**	6,238	8,013
Cash-flows for the period	**(230)**	1,056	2,311
Cash and cash equivalents at the beginning of the period	**3,881**	1,569	1,569
Bank revaluation	**95**	–	–
Cash and cash equivalents at the end of the period	**3,746**	2,625	3,881

All amounts are presented in EUR'000 unless stated otherwise.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Note 1 Accounting policies and disclosures

The Group's interim report is prepared in accordance with IAS 34 Interim Reporting and, for the Parent Company, RFR 2. In all other respects, the accounting policies applied correspond with that stated in the annual report for 2018. Disclosures pursuant to Paragraph 16A of IAS 34 appear in the financial statements and their accompanying notes, and in other parts of this interim report.

The new standards which became effective as from January 1st, 2019 are included below.

IFRS 16 "Leases" revises accounting of leased assets (replacing IAS 17); in accordance with the standard, except for some cases, a distinguish between operating and finance lease is removed resulting in almost all leases being recognised in the statement of financial position of a lessee as an asset (a right to use a leased asset) and a liability (payable rental). The Group applied the standard from its mandatory adoption date of 1 January 2019 using the simplified transition approach. As a result, the Group did not restate the comparative amounts for the year prior to adoption.

As at 1 January 2019 the Group had existing long-term non-cancellable office lease commitments of EUR 2,853 being accounted under IAS 17 in the prior periods. As a result of the application of IFRS 16, this commitment transformed into a lease liability of EUR 1,970 as at 1 January 2019. The right-in-use asset is measured to be equal to the liability as at initial recognition. Accordingly, as from 1 January 2019, operating lease expenditures on this arrangement are replaced by amortisation of the right-to-use asset and by a deemed interest cost on the lease liability.

As disclosed in the annual report for the financial year ended 31 December 2018, management estimated that rental costs on this arrangement, amounting to EUR 316 for the year ending 31 December 2019, will be replaced by an annual amortisation charge of EUR 219 and a notional interest expense of EUR 167. The adoption of IFRS 16 will therefore result in a decrease of EUR 70 in earnings for the year ending 31 December 2019.

Rental payments under IFRS 16 are allocated between deemed interest and a reduction in the lease liability, with a corresponding impact on the Group's statement of cash flows. As per the adopted Group policy, rental payments are presented as a part of financing cash flows. The impact of the adoption IFRS 16 is further disclosed in Note 6.

Other standards, amendments and interpretations to existing standards which became effective as from 1 January 2019 have limited or no impact on the Group's financial statements.

For a complete account of the important estimates and assessments affecting the Group, refer to the 2018 Annual report according to IFRS.

Note 2 Related party transactions

All companies forming part of Gambling.com Group Plc, the shareholders and other companies controlled or significantly influenced by the shareholders are considered by the directors to be related parties. The ultimate controlling party of Gambling.com Group Plc is Mr Mark Blandford.

During the quarter ended 31 March 2019 consultancy services totalling EUR 100 (100) were purchased from related parties.

During the first quarter the Group transferred EUR 880 to related parties on behalf of certain incoming shareholders of the Company that had opted to purchase shares in the Group from selling shareholders for redemption proceeds from the 2019 and 2020 Notes. As at 31 March 2019 the Group held EUR 500 as a current liability to redeemed Note holders that will become payable to selling shareholders subject to the fulfilment of certain due diligence requirements for the incoming shareholders.

Note 3 Segment

Gambling.com Group's operations and management is organized by one business segment, gambling affiliation.

All amounts are presented in EUR'000 unless stated otherwise.

Note 4 Intangible Assets

In the normal course of the business, the Group's acquisitions comprise of domains, websites, and player databases. 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. The residual value is allocated to domains and websites. Player databases are amortised over the average expected player life of the portfolio of players. Domains and websites are attributed an indefinite useful life and are therefore not amortised but tested for impairment.

The Group did not purchase any intangible assets during the first quarter 2019.

As at quarter end remaining considerations payable related to acquisitions made in 2018. The liability is due for settlement in August 2019.

Note 5 Borrowings

As at quarter end the borrowings' balance of the Group was represented by two separate debentures; the 2021 Bond and the 2019 Notes. The 2019 Notes were issued in February 2017 with an aggregate nominal loan amount of EUR 7,100 of which EUR 4,480 million were redeemed in the fourth quarter 2018 and EUR 100 were redeemed in the first quarter 2019 thus resulting in an outstanding nominal balance of EUR 2,525 as at 31 March 2019. The 2019 Notes carry interest accruing at a rate of 10% per annum due for payment annually. The amount is due for repayment on the earlier of either June 30th, 2019, at which point investors have the option to convert to equity at a valuation of 10x TTM EBITDA, a default event, or if the Company conducts an Initial Public Offering (IPO) or change of control event, in which case the convertible amount is converted to common stock in the Company at a discount to market value as established in the IPO or change of control event.

The 2021 Bond is a senior secured fixed rate bond listed on Nasdaq Stockholm with and aggregate nominal balance of EUR 16,000 (under a total framework of EUR 25,000) carrying interest at 10.5% due for payment semi-annually. As at quarter end the Company held EUR 400 of the 2021 Bond in treasury which is netted within Borrowings. The bond is due for repayment on the earlier of either October 22, 2021, a default event, or a change of control event. The bond has an embedded option for early redemption between April 2020 and maturity (full terms set out in the 2021 Bond prospectus).

The 2019 Notes and the 2021 Bond are carried at fair value based on an event probability basis. The significant inputs are the values associated with each of the potential conversion, repayment, or early redemption scenarios and the probability associated with each scenario. Included in the valuation are significant unobservable estimates that have been used to derive the fair value. This include the probability of a maturity repayment or conversion, early redemption, Initial Public Offering (IPO), a private transaction, or a corporate transaction of the Group, the timing of such events and the discount rate applied to each scenario. The directors' assessment as at the reporting date of the probability of each such scenarios results in the movement in fair value.

Note 6 Leases

On 1 January 2019 the Group adopted IFRS 16 "Leases", which resulted in recognition of a lease liability for the Group's offices (previously accounted as operating lease in accordance with IAS 17 "Leases"). The liability was measured at the present value of remaining lease payments discounted at the Group's cost of capital. The rate applied to the lease liability on 1 January 2019 was 8.75%. From 1 January 2019, lease payments have been allocated between finance costs and lease liability.

The associated right-to-use asset for property leases was measured at an amount equivalent to the lease liability as at 1 January 2019. The asset is subsequently depreciated over the remaining lease term (as determined as at 1 January 2019) on a straight-line basis.

The Group recognized expenses of EUR 196 on low-value and/or short-term rent for the first quarter 2019.

All amounts are presented in EUR'000 unless stated otherwise.

STATEMENT OF COMPREHENSIVE INCOME – COMPANY

	Jan – March 2019	Jan – Dec 2018
Revenues	–	–
Total revenue	–	–
Board fees	(54)	(118)
Depreciation	–	(12)
Non-recurring costs related to financing and investing	(1)	(244)
Other operating expenses	(24)	(71)
Operating loss, EBIT	(79)	(445)
Interest payable on borrowings	(468)	(1,654)
Other (losses)/gains on financial liability at fair value through profit and loss	(27)	3,743
Finance income	468	1,657
Finance costs	(7)	(451)
(Loss)/Profit before tax, EBT	(113)	2,850
Tax expense	–	–
Total comprehensive (loss)/income for the period	(113)	2,850

All amounts are presented in EUR'000 unless stated otherwise.

STATEMENT OF FINANCIAL POSITION – COMPANY

	March 31 2019	Dec 31 2018
ASSETS		
Non-current assets		
Investment in Subsidiaries	9,133	9,133
Property and equipment	2	2
Total non-current assets	9,135	9,135
Current assets		
Trade and other receivables	17,028	16,108
Cash and cash equivalents	347	2,084
Total current assets	17,375	18,192
TOTAL ASSETS	26,510	27,327
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	50	50
Capital reserve	4,726	4,726
Share option reserve	112	112
Retained earnings	1,115	1,228
Total equity attributable to the equity holders of the parent	6,003	6,116
Non-current liabilities		
Borrowings	16,526	16,399
Total non-current liabilities	16,526	16,399
Current liabilities		
Trade and other payables	188	241
Borrowings and accrued interest	3,293	3,191
Other liabilities	500	1,380
Total current liabilities	3,981	4,812
TOTAL LIABILITIES	20,507	21,211
TOTAL EQUITY AND LIABILITIES	26,510	27,327

All amounts are presented in EUR’000 unless stated otherwise.

Definition and purpose of alternative performance measure | In this interim report, we are using the following alternative key figures, as we believe they are relevant in follow-up of our strategy and financial goals.

Alternative performance measure	**Definition**	**Purpose**
Adjusted Operating Profit	Operating profit adjusted for non-recurring expenses	Monitors normalised operating profit.
Adjusted Operating Profit Margin	Adjusted operating profit as a percentage of revenue	Monitors normalised operating profitability.
EBITDA	Operating result before depreciation and amortisation.	Monitors operating profit and cash-flow.
EBITDA Margin	EBITDA as a percentage of Revenue	Monitors operational profitability.
Adjusted EBITDA	EBITDA adjusted for non-recurring expenses.	Monitors normalised operating profit and cash- flow.
Adjusted EBITDA Margin	Adjusted EBITDA as a percentage of revenue.	Monitors normalised operational profitability
NDC (New Depositing Customers)	A new customer placing a first deposit on a client's website.	The Group reports these key figures as they are key drivers for organic growth and revenues.
NIBD / TTM Adjusted EBITDA	Interest bearing debt adjusted for fair value movements, cash, and treasury bonds divided by trailing twelve months EBITDA adjusted for fair value movements and non-recurring expenses	Monitors leverage as defined in the Bond prospectus