



TRADEDOUBLER INTERIM REPORT  
JANUARY – SEPTEMBER 2019

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### The third quarter July – September 2019

- Net sales amounted to SEK 280 M (292), a decrease of 4% or 6% adjusted for changes in exchange rates.
- Gross profit was SEK 62 M (65), a decrease of 5% or a decrease of 7% adjusted for changes in exchange rates. Gross margin was 22.0% (22.3).
- Operating costs excluding depreciation and change related items were SEK 48 M (52), a decrease of 7% or 9% adjusted for changes in exchange rates.
- EBITDA amounted to SEK 12 M (12). Adjusted for change related items, EBITDA was SEK 13 M (13).
- Activated expenses for product development were SEK 5 M (5).
- Cash flow from operating activities was SEK -37 M (-2) and the sum of cash and interest-bearing financial assets was SEK 25 M (47) at the end of the third quarter. Net cash in the third quarter decreased by SEK -42M (8) to SEK -113 M (-69).
- Earnings per share, before and after dilution were SEK -0.14 (0.03).

### The interim period January – September 2019

- Net sales amounted to SEK 876 M (863), an increase of 2% or a decrease by 1% adjusted for changes in exchange rates.
- Gross profit was SEK 193 M (196), a decrease of 2% or 4% adjusted for changes in exchange rates. Gross margin was 22.0% (22.7).
- Operating costs excluding depreciation and change related items were SEK 157 M (168), a decrease of 7% or 9% adjusted for changes in exchange rates.
- EBITDA amounted to SEK 32 M (25). Adjusted for change related items, EBITDA was SEK 36 M (28).
- Activated expenses for product development were SEK 16 M (13).
- Cash flow from operating activities was SEK -25 M (-11).
- Earnings per share, before and after dilution were SEK -0.35 (0.24).
- As of 1 January 2019, the company applies IFRS 16 regarding the group's leasing agreements. The restatement has impacted EBITDA for the period by SEK 12 M, net profit by -0.6 M, cash flow from operating activities by SEK 11 M and cash flow from financing activities by SEK -11 M. The effect on the opening balance sheet amounted to SEK 46 M. Comparative figures have not been restated.
- In the third quarter Tradedoubler finalized an arms-length re-negotiation regarding its current loan agreement with the Company's principal owner Reworld Media S.A. The Company has increased its current facility with Reworld Media S.A from SEK 40 M to a total of SEK 138 M (EUR 13.45 M) in order to repay the Company's SEK 71 M loan to a Swedish credit institution. The facility with Reworld Media S.A. is on market terms, and the majority of the facility has a maturity in 2026 with an interest rate less than half of the previous loan with the Swedish credit institution.

## FINANCIAL OVERVIEW

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Change in %	Full year 2018
Net sales adjusted for change related items	280	292	876	863	1.5%	1,173
Gross profit adjusted for change related items	62	65	193	196	-1.6%	264
Gross margin (%)	22.0%	22.3%	22.0%	22.7%		22.5%
Operating costs excl. depr. and change related costs	-48	-52	-157	-168	-6.6%	-222
<b>EBITDA adjusted for change related items</b>	<b>13</b>	<b>13</b>	<b>36</b>	<b>28</b>		<b>42</b>
EBITDA-margin (%)	4.8%	4.4%	4.1%	3.3%		3.6%
Change related items <sup>1</sup>	-2	-1	-4	-3		-3
<b>EBITDA</b>	<b>12</b>	<b>12</b>	<b>32</b>	<b>25</b>		<b>39</b>
<b>Operating profit (EBIT)</b>	<b>2</b>	<b>6</b>	<b>5</b>	<b>8</b>		<b>17</b>
<b>Net profit</b>	<b>-6</b>	<b>2</b>	<b>-16</b>	<b>11</b>		<b>15</b>
Net investments in non-financial fixed assets	-5	-5	-16	-13		-18
Cash flow from operating activities	-37	-2	-25	-11		-3
Liquid assets incl financial investments, at period's end	25	47	25	47		44
Net cash <sup>2</sup> , at period's end	-113	-69	-113	-69		-65

<sup>1</sup> For more information regarding change related items see page 10

<sup>2</sup> Liquid assets less interest-bearing liabilities

## CEO Matthias Stadelmeyer's comments

*"Tradedoubler's results in the third quarter of 2019 are similar to Q2. The slow-down that we face across some clients and markets continued over summer and results have therefore been lower than expected in Q3 as well. While these reduced spendings across some clients, markets and categories have an impact on our numbers at the moment, we do not see them as a wider structural challenge.*

*Margins are on similar levels as in recent quarters and like last year, the smaller deviations are due to seasonality and smaller changes in the product mix.*

*Costs have been slightly lower and adapted to the cool down of our business, but in general costs are on the same level as in recent quarters and like last year as well.*

*Despite the slight slowdown in spring and summer we generally develop according to our plans and we continue on our mission to continuously improve our business by creating growth for our clients and partners."*

Stockholm – 7 November 2019

Matthias Stadelmeyer



## Tradedoubler - Connect and Grow

For advertisers and publishers, who want to grow their business, Tradedoubler offers performance marketing and technology solutions powering a unique network of connections. Combining 20 years of digital marketing innovation and expertise, global presence and a market leading technology platform we offer tailored performance solutions based on our clients' needs.

- **Industry-leading affiliate marketing network:** Affiliate marketing is a risk-free solution for advertisers looking to increase sales or leads as they only pay for results.
- **Private-label partner management platform:** Our award-winning technology platform allows advertisers, publishers or agencies to manage partnerships directly themselves or setup and run their own private affiliate network.
- **Campaign management:** We offer performance-based campaigns tailored to our client's needs and based on programmatic and non-programmatic inventory. From lead generation to display, native advertisement, video and app install.
- **Market-leading business intelligence:** Data driven insights including user journey reporting and analysis to optimize digital ad spend for the best return across all channels.

Building and growing relations is our lifeblood and our key expertise for 20 years. 260 employees based in 15 offices connect advertisers and publishers in more than 80 countries around the globe to grow their business.

With our performance marketing solutions and through our network of 180.000 publishers we have generated over 8 billion Euro in revenue, more than 3 billion clicks and 58 million conversions for our clients in 2018.

## The Group's Results

If not explicitly stated, the disclosed financial information refers to reported numbers that are not adjusted for change related items nor changes in exchange rates. For more information regarding change related items see page 10.

Consolidated net sales during the interim period were SEK 876 M (863), which was an increase of 2 per cent or 1 per cent decrease adjusted for changes in exchange rates.

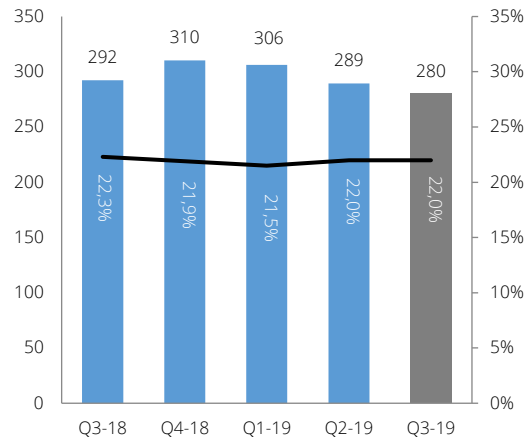
Consolidated net sales during the third quarter were SEK 280 M (292), which was an decrease of 4 per cent or 6 per cent adjusted for changes in exchange rates.

Gross profit during the interim period was SEK 193 M (196), which was a decrease of 2 per cent or a decrease of 4 per cent adjusted for changes in exchange rates.

Gross profit during the third quarter was SEK 62 M (65) which was a decrease of 5 per cent or a decrease of 7 per cent adjusted for changes in exchange rates.

Gross margin, adjusted for change related items, was during the interim period 22.0 per cent (22.7) and 22.0 per cent (22.3) during the third quarter.

### NET SALES (SEK M) / GROSS MARGIN (%), adjusted for change related items



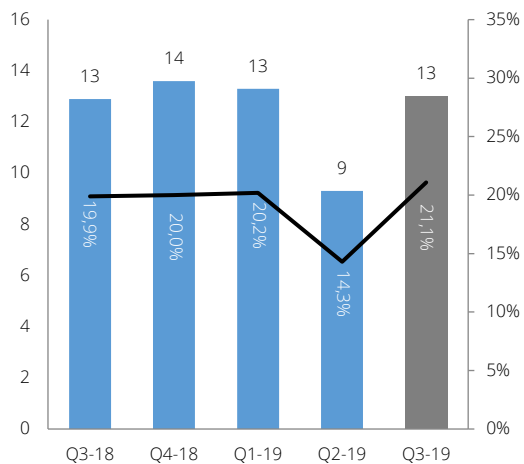
Operating costs, excluding depreciation, amounted to SEK 161 M (171) during the interim period. Operating costs, excluding change related items and depreciation, were SEK 157 M (168). This was a decrease of 7 per cent or 9 per cent adjusted for changes in exchange rates.

Operating costs, excluding depreciation, amounted to SEK 50 (54) during the third quarter. Operating costs, excluding change related items and depreciation, were SEK 48 M (52). This was a decrease of 7 per cent or 9 per cent adjusted for changes in exchange rates. The decrease was mainly explained by the effect of the adjustment made in accordance with the new accounting principle IFRS 16.

Operating profit before depreciation and amortisation (EBITDA) during the interim period was SEK 32 M (25). Adjusted for change related items, EBITDA was SEK 36 M (28). Depreciation and amortisation were SEK 27 M (17) and operating profit (EBIT) amounted to SEK 5 M (8).

Operating profit before depreciation and amortisation (EBITDA) in the third quarter was SEK 12 M (12). Adjusted for change related items, EBITDA was SEK 13 M (13). Depreciation and amortisation were SEK 10 M (5) the increase is mainly related to the new IFRS 16 implementation. Operating profit (EBIT) amounted to SEK 2.2 M (6).

**EBITDA (SEK M) / EBITDA/GP (%),**  
adjusted for change related items



Net financial items during the interim period were SEK -18 M (5) where of exchange rates effects were SEK -3 M (-1.8). Financial income and expenses amounted to SEK -15 M (7), the main deviation compared to last year relates to the repurchase of own bonds below nominal value in 2018.

Net financial items in the third quarter were SEK -8 M (-4), where of exchange rates effects were SEK -1.5 M (0.6). Financial income and expenses amounted to SEK -6 M (-5), the increased cost is mainly explained by a one time cost related to clearing the old loan.

During the interim period corporate income tax was SEK -2.7 M (-2.4) and profit after tax was SEK -16 M (11). In the third quarter corporate income tax was SEK -0.6 M (-0.9) and profit after tax was SEK -6 M (1.5).



## Operational segments

If not explicitly stated, the disclosed financial information refers to reported numbers that are not adjusted for change related items nor changes in exchange rates. For more information regarding change related items see page 10.

Tradedoubler's operational segments is presented at a regional level where Tradedoubler's segments consists of DACH (Germany, Austria and Switzerland), France & Benelux (France, Belgium and Netherlands), Nordics (Sweden, Norway, Denmark, Finland and Poland), South (Italy, Brazil and Spain) and UK & Ireland.

### Net sales

Net sales during the interim period amounted to SEK 876 M (863), which was an increase of 2 per cent or a decrease by 1 per cent adjusted for changes in exchange rates.

Net sales during the third quarter amounted to SEK 280 M (292), which was an decrease of 4 per cent or 6 per cent adjusted for changes in exchange rates.

### EBITDA

The reduced EBITDA in the interim period for segments UK & Ireland and Dach are mainly explained by lower gross profit margin compared to last year. For the third quarter, the reduced EBITDA for segments France & Benelux is mainly related to lower Net Sales. All other segments report similar EBITDA compared to the third quarter last year.

Costs for group management and support functions during the interim period amounted to SEK 37 M (49), a decrease of 24 per cent or 25 per cent adjusted for changes in exchange rates. The decrease in cost is mainly related to new accounting policy for IFRS 16.

Costs for group management and support functions during the third quarter were SEK 12 M (16), a decrease of 23 per cent or 24 per cent adjusted for changes in exchange rates. The decrease in cost is mainly related to new accounting policy for IFRS 16.

SEK M	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
<b>Net Sales</b>					
DACH	39	33	116	105	144
France & Benelux	70	79	233	232	315
Nordics	80	85	238	247	340
South	38	38	121	110	154
UK & Ireland	54	57	168	169	220
<b>Total Net Sales</b>	<b>280</b>	<b>292</b>	<b>876</b>	<b>863</b>	<b>1,173</b>
<b>EBITDA</b>					
DACH	3	3	9	13	16
France & Benelux	6	8	23	19	28
Nordics	6	7	15	17	23
South	5	6	15	15	20
UK & Ireland	3	3	7	11	14
<b>Total</b>	<b>24</b>	<b>27</b>	<b>69</b>	<b>74</b>	<b>101</b>
Group mgmt & support functions	-12	-16	-37	-49	-62
<b>Total EBITDA</b>	<b>12</b>	<b>12</b>	<b>32</b>	<b>25</b>	<b>39</b>
Depreciation and impairment	-10	-5	-27	-17	-22
Operating profit as in consolidated income statement	2	6	5	8	17
<b>EBITDA/Net sales, %</b>					
DACH	8.4	9.5	8.2	12.2	11.3
France & Benelux	8.9	10.6	9.9	8.4	8.9
Nordics	7.6	8.0	6.2	6.7	6.6
South	13.6	15.2	12.1	13.3	13.1
UK & Ireland	5.8	5.4	4.9	6.9	6.7
<b>Total EBITDA Margin</b>	<b>4.2</b>	<b>3.9</b>	<b>3.6</b>	<b>2.9</b>	<b>3.3</b>

EBITDA in segments include change related items, see page 10 for more details about the segments affected.

## CASH FLOW

Cash flow from operating activities before changes in working capital amounted to SEK 8 M (-4) during the interim period and related to EBITDA reduced with paid taxes, paid interest and non-cash items. Changes in working capital were SEK -33 M (-7).

Net investments in tangible and intangible assets during the interim period, mainly related to product development, amounted to SEK 16 M (13). Cash flow amounted to SEK -20 M (-23) and net cash decreased by SEK 47 M (-5).

Cash flow from operating activities before changes in working capital was SEK -1.5 M (8) in the third quarter 2019 and related to EBITDA reduced with paid taxes, paid interest and non-cash items. Changes in working capital were SEK -35 M (-9).

Net investments in tangible and intangible assets during the third quarter, mainly related to product development, amounted to SEK 5 M (5). Cash flow amounted to SEK -14 M (-7). Net cash is decreased with SEK 42 M (-8).

Cash flow from financing activities amounted to SEK 21 M (0) during the interim period and is impacted by the refinancing and the new accounting of leasing agreements according to IFRS 16. As of 1 January 2019, the leasing costs for operating leases have been replaced by depreciation of use-of-right assets of SEK -11 M and financial interest expenses of SEK -1.5 M on the leasing liabilities in accordance with IFRS 16 Leases. Cash flow from operating activities was affected by SEK 11 M and cash flow from financing activities by SEK -11 M during the interim period.

## FINANCIAL POSITION

Cash and cash equivalents at the end of the interim period 2019 amounted to SEK 25 M (47) and were affected by translation differences of SEK 1.5 M (1.7). Interest-bearing liabilities amounted to SEK 138 M (114) and relates to the loan agreements signed in the third quarter 2019 with Reworld Media S.A.. Net cash hence

amounted to SEK -113 M (-69) at the end of the interim period 2019.

Consolidated shareholders' equity amounted to SEK 234 M (233) at the end of the interim period 2019. The equity/asset ratio was 30.5 per cent (31.9) and the return on equity during the rolling 12 months ending 30 September 2019 was negative (0.4%).

## CHANGE RELATED ITEMS

For comparability reasons and to indicate the underlying performance, Tradedoubler adjust for change related items. The following items affect the comparability in this report.

During 2019 change related items amounted to SEK -4.1 M and related to severance payment of SEK -3.6 M spread over several segments, costs for closing of office SEK -0.8 and a revaluation of the contingent purchase price in the acquisition of Metapic of SEK 0.3 M (Group management).

During the interim period 2018 change related items amounted to SEK 1.4 M and related to reduced costs for the long-term incentive programme of SEK 0.6 M (Group Management) and severance payments of in total SEK -2 M split over several segments.

## SEASONAL VARIATIONS

Tradedoubler's operations, particularly within Performance Marketing, fluctuate with the development of e-commerce and online advertising. There are seasonal variations particularly within e-commerce. The highest level of activity is on "Black Friday" and before Christmas, which implies that the fourth quarter is normally the strongest for Tradedoubler.

## THE PARENT COMPANY

The parent company's net sales amounted to SEK 49 M (52) during the interim period and to SEK 16 M (18) during the third quarter. Revenue primarily consisted of internal licensing revenue to subsidiaries.

Operating profit (EBIT) was SEK -14M (-9) during the interim period and SEK -6 M (-1) during the third quarter.

Net financial items amounted to SEK -15 M (9) during the interim period and to SEK -6 M (0.4) during the third quarter. Dividends from group companies impacted the interim period with SEK 2.4 M (6). Changes in exchange rates impacted with SEK -4.3 (-3).

Corporate taxes were SEK 0 M (0) during the interim period and SEK 0 M (0) during the third quarter. Profit after tax was SEK -29 M (-0.2) during the interim period and SEK -12 M (-0.5) during the third quarter.

The parent company's receivables from group companies amounted to SEK 106 M (95) at the end of the interim period 2019, of which none (0) were non-current. The parent company's liabilities to group companies were SEK 68 M (68), of which none (0) were non-current. Cash and cash equivalents amounted to SEK 7 M (20) at the end of the interim period 2019.

Deferred tax assets amounted to SEK 14 M (14) at the end of the interim period and related to previous Group loans. No capitalisation of deferred tax on loss has been made since the assessment of the possibility of using deferred tax on loss carry forwards is unchanged compared to previous periods.

## EMPLOYEES

At the end of the interim period 2019, Tradedoubler's staff corresponded to 233 (244) full-time equivalents (FTE) and included permanent and temporary employees as well as consultants.

## RISKS AND UNCERTAINTY FACTORS

Tradedoubler divides risks into market-related risks, operational risks, financial risks and legal risks. These risks are described on page 7 in the 2018 Annual Report. No significant risks and uncertainty factors have arisen in addition to those described in the 2018 annual report.

## CRITICAL ESTIMATES AND JUDGEMENTS

For information regarding critical estimates and judgements in the financial statements, see note C2 in the 2018 annual report. No critical estimates or judgements are considered to have arisen since the latest submitted annual report.

## TRANSACTIONS WITH RELATED PARTIES

Aside from transactions in the normal course of business, to board and senior executives the following third-party transactions have occurred during the interim period 2019. Reworld Media has, as a publisher in France received remuneration of 6 KEUR, 36 KEUR for provided HR-support and 112 KEUR in remuneration for rent, both related to Tradedoubler's French subsidiary. Reworld Media has during the interim period 2019 been invoiced for purchased services from Tradedoubler France of 15 KEUR in total and from R-Advertising of 1.7 KEUR in total. During the interim period, Tradedoubler's German subsidiary leased parts of its premises to NetMedia Europe Deutschland GmbH, where rental income amounted to SEK 0.2 M. Pascal Chevalier is Chairman of the board of NetMedia Europe. In May 2018, Tradedoubler entered into a loan agreement with Reworld Media. This loan was renegotiated and increased in Q3 2019 so that the Company could replace the loan from a Swedish credit institution. At the end of the interim period the loan amounted to SEK 138 M (EUR 13.45 M). The loan has an amortization structure and matures in 2026. The loan is subscribed on market terms and the interest expense during the interim period has amounted to SEK 4 M. The agreement contains a clause related to change of control, however, no other covenants are in place. The arm's length principle has been applied on all these transactions.

## ANNUAL GENERAL MEETING

The Annual General Meeting was held on 15 May 2019 at the company's premises on Birger Jarlsgatan 57A.

Pascal Chevalier, Gautier Normand, Nils Carlsson, Jérémy Parola and Erik Siekmann were re-elected as board members. Pascal Chevalier was re-elected as chairman of the board of directors.

The annual general meeting resolved on remuneration to the board of directors where remuneration of SEK 763,000 shall be paid to each of Pascal Chevalier and Gautier Normand, and remuneration of SEK 180,000 shall be paid to each of Nils Carlsson, Jérémy Parola and Erik Siekmann.

The annual general meeting resolved to re-elect EY as auditor until the close of the next AGM.

The annual general meeting resolved to authorise the board of directors, until the next annual general meeting, on one or several occasions, with or without deviation from the shareholders' preferential rights, with or without provision on non-cash consideration, set-off or otherwise with conditions pursuant to the Swedish Companies Act., to resolve on new issues of shares, warrants and/or convertibles corresponding to not more than twenty five (25) per cent of the total number of outstanding shares in the company per the date of the notice to the annual general meeting.

The annual general meeting resolved to authorise the board of directors, until the next annual general meeting, on one or several occasions, to resolve on the acquisition of a maximum number of own shares so that, after the purchase, the company holds not more than ten per cent of the total number of shares in the company.

The annual general meeting resolved to authorise the board of directors, until the next annual general meeting, on one or several occasions, to resolve on the transfer of shares in the company. The shares may only be transferred in conjunction with the financing of company acquisitions and other types of strategic

investments and acquisitions, and the transfers may not exceed the maximum number of shares held by the company at any given time.

For more information, minutes from the Annual General Meeting is available on:

[www.tradedoubler.com/en/investors/financial-calendar-and-events/](http://www.tradedoubler.com/en/investors/financial-calendar-and-events/) under the header Annual General Meeting.

## FOREIGN EXCHANGE RISK

Foreign exchange risk refers to the risk that changes in exchange rates may affect the consolidated income statement, balance sheet and cash flow statement. Foreign exchange risk exists in the form of transaction risk and translation risk. Tradedoubler is exposed to foreign exchange risk in 14 countries involving eight different currencies, with Euro (EUR) and British pounds (GBP) representing the majority share. During the third quarter 2019 approximately 51 (52) per cent of group sales were made in EUR and approximately 19 (19) per cent in GBP. Approximately 44 (42) per cent of the group's operational costs were in EUR and approximately 10 (14) per cent in GBP. Net investments in foreign currency or transaction risks are not currently hedged. Exposure attributable to exchange rate fluctuation in client and supplier invoices is limited since invoicing to customers and from suppliers largely occurs in local currency for all companies in the group.

Tradedoubler renegotiated the current loan deal with Reworld Media S.A. during the third quarter 2019. This facility is denominated in EUR and currently not hedged.

## Miscellaneous

### Significant events after the balance sheet date

No significant events have occurred after the balance sheet date.

### Accounting policies

This interim report is prepared in accordance with IAS 34, interim financial reporting and the Swedish annual accounts act. For the group and the parent company the same accounting principles and calculation bases have been applied as in the latest annual report with the additions below.

For financial instruments reported at amortised cost; accounts receivables, other current receivables and cash and cash equivalents, accounts payables and other current liabilities are deemed to correspond to carrying amount. The fair value of other long- and current liabilities is not deemed to deviate materially from the carrying amount.

### New IFRS applied from 2019 – IFRS 16 Leases

IFRS 16 Leases has replaced IAS 17 from 1 January 2019. According to the new standard, the lessee must report the obligation to pay leasing fees as a lease liability in the balance sheet. The right to use the underlying asset during the lease period is reported as an asset. Depreciation of the asset is reported in the income statement as well as interest on the lease liability. Remaining leasing fees are reported partly as payment of interest and partly as amortization of leasing debt, which affects financial position and key ratios. The standard excludes leases with a lease term of less than 12 months and lease contracts for which the underlying asset is of low value.

### IFRS 16 – Transition disclosures

The company has chosen to apply the standard according to the modified retrospective approach, which

means that it will be reported retroactively with the cumulative effect of an initial application of the standard on the second date of application, 1 January 2019. Comparative figures are not restated and is still reported in accordance with IAS 17 Leases. The company has chosen to exclude leasing agreements where the underlying asset is of low value. As of 1 January 2019, the leasing costs for previous operating leases relating to lease agreements have been replaced by depreciation on utilisation rights and financial interest expense on the lease liabilities. On 1 January 2019, the change relating to the recognition of the lease agreements affected the balance sheet by SEK 46 M, without any impact on equity.

SEK M	1 Jan 2019
<b>Lease liability</b>	
Operating leases as of 31 December 2018	51.4
Discounting with the group's weighted average marginal lending rate	-2.6
<b>Lease liability for operating leases as of 31 December 2018</b>	<b>48.8</b>
Deduction leases of low value	-2.8
<b>Lease liability recorded 1 January 2019</b>	<b>46.0</b>
<b>Right-of-use asset</b>	
Lease liability recorded 1 January 2019	46.0
<b>Right-of-use asset recorded 1 January 2019</b>	<b>46.0</b>

The translation for IFRS 16 has affected the interim period's EBITDA by SEK 12 M and profit after tax by SEK -0.6 M.

### The share

The total number of shares at the end of the interim period 2019 was 45,927,449 (45,927,449), of which 790,760 (1,060,473) were in own custody after use of own shares in the first quarter 2019 for the final contingent additional purchase price in the Metapic acquisition. The average number of outstanding shares during the interim period was 45,050,780 (43,941,606).

Earnings per share, before and after dilution, amounted to SEK -0.35 (0.24) during the interim period and to SEK -0.14 (0.03) during the third quarter. Equity per share amounted to SEK 5.10 (5.08) at the end of the interim period.

The share price closed at SEK 3.30 on the final trading day of the interim period 2019, which was higher than at year-end 2018 when the share price closed at SEK 3.18.

### Long term financial targets

The company's long-term financial targets, adopted by the board of directors, are to grow net sales in excess of 5 per cent annually in local currency and deliver an EBITDA/Gross profit-ratio in excess of 20 per cent over a business cycle.

### Annual report

The annual report 2018 is available on Tradedoubler's website. Shareholders who would like to receive the annual report by post are requested to contact Tradedoubler at [ir@tradedoubler.com](mailto:ir@tradedoubler.com) or by telephone +46 8 405 08 00.

### Financial information

Year-end report 2019                      6 February 2020  
Interim report Jan-Mar 2020    13 May 2020

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### English version

Both an English version and a Swedish version of this report have been prepared. In the event of a difference between the two reports, the Swedish version shall prevail.

### Other

Tradedoubler discloses the information provided herein pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was released for publication on 7 November 2019 at 08.00 a.m. CET. Numerical data in brackets refers to the corresponding periods in 2018 unless otherwise stated. Rounding off differences may arise.

### Review

This interim report has not been reviewed by the company's auditor Ernst & Young AB.

### The Board of Directors' declaration

The Board of Directors and the CEO declare that the interim report for the period January to September 2019 provides a true and fair overview of the Parent Company's and the Group's operations, financial position and results of operations as well as describing the material risks and uncertainties facing the Parent Company and other companies in the Group.

Stockholm, 7 November 2019

Pascal Chevalier	Gautier Normand
Chairman	Board member
Jérémy Parola	Erik Siekmann
Board member	Board member
Nils Carlsson	Matthias Stadelmeyer
Board member	President and CEO

## Consolidated income statement

SEK 000s	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Net Sales	280,306	292,352	875,871	862,781	1,173,105
Cost of goods sold	-218,680	-227,274	-683,290	-666,990	-909,265
<b>Gross profit</b>	<b>61,626</b>	<b>65,078</b>	<b>192,581</b>	<b>195,792</b>	<b>263,840</b>
Selling expenses	-36,083	-37,814	-120,559	-120,429	-161,132
Administrative expenses	-15,124	-13,835	-44,455	-45,207	-57,187
Development expenses	-8,244	-6,534	-23,284	-21,186	-27,658
Other income and expenses	-	-556	302	-556	-556
<b>Operating profit</b>	<b>2,175</b>	<b>6,340</b>	<b>4,585</b>	<b>8,414</b>	<b>17,307</b>
Net financial items	-7,821	-3,926	-17,610	4,695	913
<b>Profit before tax</b>	<b>-5,645</b>	<b>2,413</b>	<b>-13,025</b>	<b>13,109</b>	<b>18,220</b>
Tax	-563	-888	-2,656	-2,426	-3,118
<b>Net Profit</b>	<b>-6,209</b>	<b>1,525</b>	<b>-15,681</b>	<b>10,683</b>	<b>15,102</b>

## Consolidated statement of comprehensive income

SEK 000s	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
<b>Profit for the period, after tax</b>	<b>-6,209</b>	<b>1,525</b>	<b>-15,681</b>	<b>10,683</b>	<b>15,102</b>
<b>Other comprehensive income</b>					
<i>Items that subsequently will be reversed in the income statement</i>					
Translation difference, net after tax	4,695	-1,785	12,731	14,391	12,747
<b>Total comprehensive income for the period, after tax</b>	<b>-1,514</b>	<b>-260</b>	<b>-2,950</b>	<b>25,074</b>	<b>27,849</b>
<i>Comprehensive income attributable to:</i>					
Parent company shareholders	-1,514	-260	-2,950	25,074	27,849

## Earnings per share

SEK	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Earnings per share	-0.14	0.03	-0.35	0.24	0.34
<b>Number of Shares</b>					
Weighted average	45,136,689	43,990,865	45,050,780	43,941,606	44,172,948

## Key ratios Group

	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Gross profit (GP) / revenue (%)	22.0	22.3	22.0	22.7	22.5
EBITDA / revenue (%)	4.2	3.9	3.6	2.9	3.3
EBITDA / gross profit (GP) (%)	19.2	17.7	16.5	12.9	14.7
Equity/assets ratio (%)	30.5	31.9	30.5	31.9	31.8
Return on equity (12 months) (%)	-4.8	0.4	-4.8	0.4	6.8
Average number of employees	237	245	249	256	254
Return on Capital Employed (12 months) (%)	3.8	6.3	3.8	6.3	10.5
Working Capital end of period (SEK M)	-55	-85	-55	-85	-84
Cash flow from operating activities per share, SEK	-0.8	-0.1	-0.6	-0.3	-0.1
Equity per share, SEK	5.1	5.1	5.1	5.1	5.1
Stock price at the end of the period, SEK	3.3	2.7	3.3	2.7	3.2

## Consolidated statement of changes in equity

SEK 000s	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Opening balance	235,559	230,915	235,986	205,521	205,521
Total comprehensive income for the period	-1,514	-260	-2,950	25,074	27,849
Equity-settled share-based payments	-	-	-	60	60
Decrease of shares in own custody	-	2,556	1,009	2,556	2,556
<b>Closing balance</b>	<b>234,045</b>	<b>233,211</b>	<b>234,045</b>	<b>233,211</b>	<b>235,986</b>



## Consolidated statement of financial position

SEK 000s	30 Sep 2019	30 Sep 2018	31 Dec 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	303,333	293,885	292,460
Intangible fixed assets	43,771	42,760	43,242
Tangible fixed assets	1,259	2,270	2,062
Right-of-use assets	35,999	-	-
Other non-current receivables	5,569	4,945	4,886
Shares and participation in other companies	11,128	11,128	11,128
Deferred tax assets	32,465	30,477	32,020
<b>Total non-current assets</b>	<b>433,524</b>	<b>385,464</b>	<b>385,797</b>
Accounts receivable	268,091	267,765	276,557
Tax assets	7,547	7,363	9,260
Other current receivables	32,278	22,771	27,832
Cash & cash equivalents	25,263	47,009	44,171
<b>Total current assets</b>	<b>333,179</b>	<b>344,909</b>	<b>357,819</b>
<b>Total assets</b>	<b>766,703</b>	<b>730,374</b>	<b>743,616</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>234,045</b>	<b>233,211</b>	<b>235,986</b>
Deferred tax liabilities	1,476	1,383	1,476
Other provisions	792	1,742	490
Lease liabilities long-term	20,529	-	-
Other interest-bearing debts	137,767	109,337	109,337
<b>Total non-current liabilities</b>	<b>160,565</b>	<b>112,462</b>	<b>111,303</b>
Accounts payable	11,391	7,318	18,735
Current liabilities to publishers	263,944	282,490	280,168
Bond loan	-	5,014	-
Tax liabilities	4,046	2,943	6,580
Contingent additional purchase price short-term	-	1,565	1,565
Lease liabilities short-term	13,027	-	-
Other current liabilities	79,687	85,548	89,279
<b>Total current liabilities</b>	<b>372,094</b>	<b>384,879</b>	<b>396,327</b>
<b>Total shareholder's equity and liabilities</b>	<b>766,703</b>	<b>730,552</b>	<b>743,616</b>

## Consolidated statement of cash flows

SEK 000s	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
<i>Operating activities</i>					
Profit before tax	-5,645	2,413	-13,025	13,109	18,220
Adjustments for items not included in cashflow	4,632	5,352	24,071	-3,711	-3,592
Income taxes paid/received	-433	-1,068	-3,165	-13,604	-14,099
<b>Cashflow from operating activities before changes in working capital</b>	<b>-1,446</b>	<b>6,698</b>	<b>7,881</b>	<b>-4,207</b>	<b>529</b>
Changes in working capital	-35,415	-9,118	-33,308	-6,804	-3,778
<b>Cashflow from operating activities</b>	<b>-36,862</b>	<b>-2,421</b>	<b>-25,428</b>	<b>-11,011</b>	<b>-3,248</b>
<i>Investing activities</i>					
Investments in intangible assets	-5,413	-4,495	-15,589	-12,328	-17,144
Investments in tangible assets	-19	-76	-194	-447	-665
Investments in financial assets	-531	9	-428	-52	-46
<b>Cashflow from investing activities</b>	<b>-5,963</b>	<b>-4,562</b>	<b>-16,211</b>	<b>-12,827</b>	<b>-17,854</b>
<i>Financing activities</i>					
Newly raised loan	103,663	-	103,663	111,000	111,000
Repayment bonds and external loans	-71,000	-	-71,000	-110,490	-115,740
Payment of additional contingent purchase price	-	-	-255	-68	-115,739
Payment of finance lease liability	-3,777	-	-11,195	-	-115,738
<b>Cashflow from financing activities</b>	<b>28,886</b>	<b>-</b>	<b>21,213</b>	<b>442</b>	<b>-115,737</b>
<b>Cashflow for the period</b>	<b>-13,939</b>	<b>-6,983</b>	<b>-20,425</b>	<b>-23,396</b>	<b>-25,910</b>
Cash and cash equivalents					
On the opening date	38,807	53,010	44,171	68,662	68,662
Translation difference in cash and cash equivalents	396	982	1,518	1,744	1,419
<b>Cash and cash equivalents on the closing date</b>	<b>25,264</b>	<b>47,009</b>	<b>25,263</b>	<b>47,009</b>	<b>44,171</b>
<i>Adjustments for non-cash items</i>					
Depreciation and impairment	9,650	5,189	27,277	16,847	21,599
Other	-5,018	163	-3,206	-20,558	-25,191
<b>Sum of non-cash items</b>	<b>4,632</b>	<b>5,352</b>	<b>24,071</b>	<b>-3,711</b>	<b>-3,592</b>

## Income statement Parent company

SEK 000s	Jul-Sep 2019	Jul-Sep 2018	Jan-Sep 2019	Jan-Sep 2018	Full year 2018
Net Sales	15,639	17,622	49,368	51,854	69,416
Cost of goods sold	-1,490	-970	-4,118	-4,817	-6,442
<b>Gross profit</b>	<b>14,149</b>	<b>16,652</b>	<b>45,250</b>	<b>47,037</b>	<b>62,974</b>
Selling expenses	-396	-94	-1,124	-206	-534
Administrative expenses	-12,818	-12,538	-39,238	-39,817	-54,180
Development expenses	-6,684	-4,982	-18,632	-16,047	-21,233
<b>Operating profit</b>	<b>-5,750</b>	<b>-962</b>	<b>-13,744</b>	<b>-9,033</b>	<b>-12,974</b>
Net financial items	-6,385	415	-15,322	8,876	10,613
<b>Profit before tax</b>	<b>-12,135</b>	<b>-547</b>	<b>-29,067</b>	<b>-157</b>	<b>-2,360</b>
Tax	-	-	-	-	75
<b>Net profit</b>	<b>-12,135</b>	<b>-547</b>	<b>-29,067</b>	<b>-157</b>	<b>-2,285</b>

## Balance sheet Parent company

SEK 000s	30 Sep 2019	30 Sep 2018	31 Dec 2018
<b>Assets</b>			
Intangible assets	43,539	42,325	42,860
Equipment, tools, fixtures and fittings	50	759	554
Participation in group companies	185,823	186,449	186,124
Deferred tax assets	14,079	14,004	14,079
<b>Total non-current assets</b>	<b>243,491</b>	<b>243,537</b>	<b>243,618</b>
Accounts receivable	1,024	159	100
Receivables from Group companies	106,044	94,664	106,091
Tax assets	1,340	1,181	1,014
Other current receivables	4,247	4,737	4,966
Cash & cash equivalents	6,684	20,064	12,559
<b>Total current assets</b>	<b>119,340</b>	<b>120,804</b>	<b>124,729</b>
<b>Total assets</b>	<b>362,831</b>	<b>364,341</b>	<b>368,347</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders equity</b>	<b>54,655</b>	<b>84,842</b>	<b>82,714</b>
Other interest-bearing debts	137,767	109,337	109,337
<b>Total non-current liabilities</b>	<b>137,767</b>	<b>109,337</b>	<b>109,337</b>
Accounts payable	2,664	2,305	7,992
Liabilities to Group companies	67,588	67,925	67,233
Bond loan	-	5,014	-
Contingent additional purchase price short term	-	1,565	1,565
Other liabilities	100,155	93,530	99,506
<b>Total current liabilities</b>	<b>170,408</b>	<b>170,340</b>	<b>176,296</b>
<b>Total shareholder´s equity and liabilities</b>	<b>362,831</b>	<b>364,519</b>	<b>368,347</b>

## Quarterly summary

### Consolidated income statement

SEK 000s	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017
Net Sales	280,306	289,380	306,185	310,324	292,352	282,895	287,534	295,341
Cost of goods sold	-218,680	-224,381	-240,228	-242,276	-227,274	-217,256	-222,460	-229,758
<b>Gross profit</b>	<b>61,626</b>	<b>64,998</b>	<b>65,957</b>	<b>68,048</b>	<b>65,078</b>	<b>65,639</b>	<b>65,075</b>	<b>65,583</b>
Total costs	-59,452	-66,858	-61,687	-59,156	-58,738	-65,131	-63,507	-70,341
<b>Operating profit</b>	<b>2,175</b>	<b>-1,860</b>	<b>4,269</b>	<b>8,893</b>	<b>6,340</b>	<b>507</b>	<b>1,567</b>	<b>-4,759</b>
Net financial items	-7,821	-4,513	-5,276	-3,782	-3,926	12,838	-4,216	-3,349
<b>Profit before tax</b>	<b>-5,645</b>	<b>-6,373</b>	<b>-1,007</b>	<b>5,111</b>	<b>2,413</b>	<b>13,345</b>	<b>-2,649</b>	<b>-8,108</b>
Tax	-563	-754	-1,338	-693	-888	-645	-893	-1,688
<b>Net profit</b>	<b>-6,209</b>	<b>-7,127</b>	<b>-2,345</b>	<b>4,418</b>	<b>1,525</b>	<b>12,700</b>	<b>-3,541</b>	<b>-9,796</b>

### Consolidated statement of financial position

SEK 000s	30 Sep 2019	30 Jun 2019	31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018	31 Dec 2017
<b>Assets</b>								
Intangible fixed assets	347,104	343,424	341,715	335,702	336,645	338,375	336,387	326,193
Other fixed assets	86,421	88,995	93,790	50,095	48,820	49,559	37,189	37,182
Current receivables	307,916	303,552	310,877	313,648	297,900	295,966	299,215	286,033
Short-term investments	-	-	-	-	-	-	-	-
Cash & cash equivalents	25,263	38,806	32,721	44,171	47,009	53,010	47,792	68,662
<b>Total assets</b>	<b>766,703</b>	<b>774,777</b>	<b>779,102</b>	<b>743,616</b>	<b>730,374</b>	<b>736,909</b>	<b>720,583</b>	<b>718,070</b>
<b>Shareholders' equity and liabilities</b>								
Shareholders' equity	234,045	235,558	241,117	235,986	233,211	230,915	215,186	205,521
Long-term non-interest-bearing debt	22,797	25,022	28,075	1,966	3,125	2,991	2,852	2,672
Long-term interest-bearing debt	137,767	109,694	109,515	109,337	109,337	108,981	-	-
Current non-interest-bearing debt	372,094	404,503	400,394	396,327	379,687	389,280	369,327	376,930
Current interest-bearing debt	-	-	-	-	5,014	4,741	133,219	132,946
<b>Total shareholder's equity and liabilities</b>	<b>766,703</b>	<b>774,777</b>	<b>779,102</b>	<b>743,616</b>	<b>730,374</b>	<b>736,909</b>	<b>720,583</b>	<b>718,070</b>

## Consolidated statement of cash flows

SEK 000s	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017
<i>Operating activities</i>								
Profit before tax	-5,645	-6,373	-1,007	5,111	2,413	13,345	-2,649	-8,108
Adjustments for items not included in cash flow	4,632	12,088	7,351	120	5,352	-14,571	5,507	9,380
Tax paid	-433	-2,177	-555	-495	-1,068	-11,410	-1,127	-1,507
Cash flow from changes in working capital	-35,415	12,118	-10,011	3,027	-9,118	21,619	-19,305	10,196
<b>Cash flow from operating activities</b>	<b>-36,862</b>	<b>15,655</b>	<b>-4,222</b>	<b>7,763</b>	<b>-2,421</b>	<b>8,983</b>	<b>-17,573</b>	<b>9,960</b>
Cash flow from investing activities	-5,963	-5,444	-4,804	-5,027	-4,562	-4,621	-3,644	7,254
Cash flow from financing activities	28,886	-3,766	-3,906	-5,250	-	510	-68	-
<b>Cash flow for the period</b>	<b>-13,939</b>	<b>6,445</b>	<b>-12,932</b>	<b>-2,514</b>	<b>-6,983</b>	<b>4,872</b>	<b>-21,285</b>	<b>17,215</b>
Cash and cash equivalents								
On the opening date	38,807	32,721	44,171	47,009	53,010	47,792	68,662	50,656
Translation difference	396	-360	1,482	-324	982	346	415	792
<b>Cash and cash equivalents on the closing date</b>	<b>25,264</b>	<b>38,807</b>	<b>32,721</b>	<b>44,171</b>	<b>47,009</b>	<b>53,010</b>	<b>47,792</b>	<b>68,662</b>

## Key ratios Group

	Jul- Sep 2019	Apr- Jun 2019	Jan- Mar 2019	Oct- Dec 2018	Jul- Sep 2018	Apr- Jun 2018	Jan- Mar 2018	Oct- Dec 2017
Gross profit (GP) / revenue (%)	22.0	22.5	21.5	21.9	22.3	23.2	22.6	22.2
EBITDA / revenue (%)	4.2	2.5	4.2	4.4	3.9	2.2	2.6	2.2
EBITDA / gross profit (GP) (%)	19.2	11.0	19.5	20.1	17.7	9.3	11.7	9.9
Equity/assets ratio (%)	30.5	30.4	30.9	31.7	31.9	31.3	30.0	28.7
Return on equity last 12 months (%)	-4.8	-1.5	7.1	6.8	0.4	-0.3	-5.6	-4.8
Average number of employees	237	258	253	248	245	259	266	289
Return on Capital Employed last 12 months (%)	3.8	5.1	10.5	10.5	6.3	5.5	2.4	2.8
Working capital at the end of the period (SEK M)	-55	-91	-77	-84	-85	-94	-72	-93
Cash flow from operating activities per share, SEK	-0.8	0.3	-0.1	0.2	-0.1	0.2	-0.4	0.2
Equity per share, SEK	5.1	5.1	5.2	5.1	5.1	5.0	4.7	4.5
Stock price at the end of the period, SEK	3.3	3.5	3.5	3.2	2.7	1.9	2.2	3.2

## Segments

SEK M	Jul-Sep 2019	Apr-Jun 2019	Jan-Mar 2019	Oct-Dec 2018	Jul-Sep 2018	Apr-Jun 2018	Jan-Mar 2018	Oct-Dec 2017
<b>DACH</b>								
Net sales	38.8	36.1	41.0	39.4	33.3	35.2	36.2	39.2
EBITDA	3.2	2.4	3.8	3.5	3.2	4.6	5.0	3.7
<b>France &amp; Benelux</b>								
Net sales	69.8	79.6	83.2	83.2	79.2	74.8	77.9	79.1
EBITDA	6.2	7.8	9.0	8.7	8.4	5.9	5.2	4.7
<b>Nordics</b>								
Net sales	79.5	77.7	81.0	93.2	85.2	80.0	81.8	84.4
EBITDA	6.1	3.9	4.8	6.1	6.8	4.6	5.1	6.5
<b>South</b>								
Net sales	38.1	39.5	43.3	43.7	37.9	34.6	37.4	38.9
EBITDA	5.2	4.8	4.6	5.5	5.7	4.9	4.0	3.7
<b>UK &amp; Ireland</b>								
Net sales	54.1	56.5	57.7	50.9	56.8	58.3	54.3	53.7
EBITDA	3.1	1.1	3.1	3.0	3.1	4.3	3.7	0.9
<b>Group management &amp; support functions</b>								
Net sales	-	-	-	-	-	-	-	-
EBITDA	-12.0	-12.9	-12.4	-13.1	-15.6	-18.1	-15.5	-12.9
<b>Total</b>								
Net sales	280.3	289.4	306.2	310.3	292.4	282.9	287.5	295.3
EBITDA	11.8	7.2	12.9	13.6	11.5	6.1	7.6	6.5



## Key ratios

Tradedoubler uses the key ratios of capital employed and equity to enable the reader to assess the possibility of dividend, implementation of strategic investments and the group's ability to meet financial commitments. Further, Tradedoubler use the key ratio EBITDA excluding change related items for investors to be able to understand the underlying business performance.

## Definitions

### **Average number of employees**

Average FTE (full-time employees) for the period, which includes permanent, temporary and hired consultants.

### **Capital employed**

Total assets less current and long-term noninterest-bearing liabilities, including deferred tax liabilities.

### **Cash flow from operating activities per share**

Cash flow from operating activities divided by average number of outstanding shares.

### **Change related items**

Change related items refer to non-recurring items that are disclosed separately to make it easier for the reader to understand the underlying change in revenue and expenses in the comparison between periods.

### **EBITDA**

EBITDA is revenue before tax, net financial items and depreciation/amortization and impairment.

### **EBITDA / Gross profit**

EBITDA divided by gross profit.

### **EBITDA-margin**

EBITDA as a percentage of revenue

### **EBITDA / Revenue**

EBITDA divided by net sales

### **Equity/assets ratio**

Shareholders' equity as a percentage of total assets.

**Equity per share**

Shareholders' equity divided by the number of outstanding shares.

**Gross profit (GP) / Revenue**

Gross profit divided by net sales

**Net margin**

Profit after tax as a percentage of sales

**Operating margin**

Operating profit as a percentage of revenue.

**Return on shareholders' equity**

Revenue for the period as a percentage of the average shareholders' equity, calculated as open and closing shareholders' equity divided by two.

**Return on capital employed**

Operating profit plus interest income as a percentage of average capital employed, calculated as opening and closing capital employed divided by two.

**Revenue per share**

Revenue of the year divided by the average number of shares

**Revenue per share before and after dilution**

Revenue of the year divided by the average number of shares after full dilution

**Share price / equity**

Share price divided by shareholders' equity per share

**Stock price at the end of the period**

Tradedoubler's share price last trading day for the period

**Working capital**

Total current assets less cash and cash equivalents, short term investments and total current liabilities.



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#TD20

