

Tradedoubler interim report

January - June 2017

Continued progress

Continued progress

THE SECOND QUARTER APRIL - JUNE 2017

- Net sales amounted to SEK 285 M (322). Net sales adjusted for change related items were SEK 285 M (322), which was a decrease of 12%.
- Gross profit adjusted for change related items was SEK 62 M (71), a decrease of 12% or 15% adjusted for changes in exchange rates. Gross margin adjusted for change related items was 21.9% (22.0).
- Operating costs excluding depreciation and change related items were SEK 60 M (72), a decrease of 18%.
- EBITDA amounted to SEK -1 M (-2). Adjusted for change related items, EBITDA was SEK 3 M (-2).
- Capitalised expenses for product development were SEK 5 M (8).
- Cash flow from operating activities was SEK -25 M (-76) and the sum of cash and interest-bearing financial assets was SEK 98 M (227) at the end of the second quarter. Net cash in the second quarter decreased by SEK 17 M to SEK -35 M.
- Earnings per share, before and after dilution were SEK 0.04 (-0.26).
- In May Tradedoubler repurchased SEK 61 M of the nominal value of its own bond.

THE INTERIM PERIOD JANUARY - JUNE 2017

- Net sales amounted to SEK 620 M (694). Net sales excluding change related items were SEK 620 M (694), which was a decrease of 11%.
- Gross profit excluding change related items was SEK 134 M (151), a decrease of 11% or 12% adjusted for changes in exchange rates. Gross margin excluding change related items was 21.7% (21.8).
- Operating costs excluding depreciation and change related items were SEK 124 M (157), a decrease of 21%.
- EBITDA amounted to SEK 6 M (-8). Excluding change related items, EBITDA was SEK 11 M (-6).
- Capitalised expenses for product development were SEK 10 M (18).
- Cash flow from operating activities was SEK -55 M (-89).
- Earnings per share, before and after dilution were SEK 0 (-0.66).

FINANCIAL OVERVIEW, SEK M	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Change %	Full year 2016
	2017	2016	2017	2016		
Net sales adjusted for change related items	284	322	620	694	-10.7%	1,339
Gross profit adjusted for change related items	62	71	134	151	-11.2%	297
<i>Gross margin (%)</i>	21.9%	22.0%	21.7%	21.8%		22.2%
Operating costs excl. depr. and change related costs	-59	-72	-124	-157	-21.3%	-286
EBITDA adjusted for change related items	3	-2	11	-6		11
<i>EBITDA-margin (%)</i>	1.0%	-0.5%	1.7%	-0.9%		0.8%
Change related items ¹	-4	-1	-4	-2		-17
EBITDA	-1	-2	6	-8		-6
Operating profit (EBIT)	-6	-7	-4	-17		-51
Net profit	2	-11	0	-28		-50
Net investments in non-financial fixed assets [□]	-5	-8	-10	-18		-36
Cash flow from operating activities	-25	-76	-55	-89		-64
Liquid assets incl financial investments, at period's end	98	227	98	227		210
Net cash ² , at period's end	-35	-21	-35	-21		16

¹For more information regarding change related items see page 6

²Current investment and liquid assets less interest-bearing liabilities

CEO MATTHIAS STADELMEYER'S COMMENTS

"In Q2 we continued the progress to lead Tradedoubler to profitability and financial independency. While gross profit decreased on a similar level as in Q1, EBITDA and net profit improved significantly compared to the same period last year.

The revenue and GP trend in Q2 is similar to Q1 and is linked to the loss of larger clients in the UK in the beginning of 2016 and the active closure of unprofitable programs in the second half of 2016. The trend in the underlying business continues to improve with positive year over year comparisons. The effect of this trend can be seen in the results of the different regions. For the reasons mentioned above the UK declined significantly compared to the same period last year while all other regions show stable results.

The gross margin is stable at 21.9%, the slight increase compared to Q1 is linked to seasonal effects.

Operational costs decreased by 18% compared to Q2 last year which is a similar level as in Q1 and reflects improvements in the management and service structure in the company. While we continue the efforts to improve the efficiency of the business we have now finalised all current larger improvement projects.

Cash flow in the interim period was impacted by changes in working capital of SEK -51 M which is mainly explained by reduced prepayment amounts from customers when changing to other payment terms.

Net profit in Q2 improved significantly to SEK 2 M. This result is influenced by the repurchase of SEK 61 M of the nominal value of our own bond.

In Q2 we launched a beta version of a new publisher interface across all markets. The new interface improves the usage of our systems and makes it easier for publishers to sign up to the network and connect to programs. The interface will be finalised based on the feedback from the audiences we are working with in the coming months.

In July we acquired the Swedish technology company Metapic (metapic.se). Metapic provides tools for influencers to create and post collages and links recommending products for advertisers being paid on CPC. It will help us to increase our business with influencers and publishers across all markets and strengthen our network.

In the coming quarters we will make further progress to improve our business continuously to realise our plans for 2017."

Stockholm - 30 August 2017
Matthias Stadelmeyer

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 6.

Consolidated net sales during the interim period amounted to SEK 620 M (694). Adjusted for change related items net sales were SEK 620 M (694), a decline of 11 per cent or 11 per cent adjusted for changes in exchange rates.

Consolidated net sales during the second quarter 2017 were SEK 284 M (322). Adjusted for change related items, net sales were SEK 284 M (322). This was a decline of 12 per cent or 13 per cent adjusted for changes in exchange rates.

Gross profit during the interim period was SEK 134 M (151). Gross profit adjusted for change related items was SEK 134 M (151), which was a decline of 11 per cent or 12 per cent adjusted for changes in exchange rates.

Gross profit during the second quarter was SEK 62 M (71). Gross profit adjusted for change related items was SEK 62 M (71), a decrease of 12 per cent or 15 per cent adjusted for changes in exchange rates. The decline is mainly related to the loss of some larger customers during 2016.

Gross margin, adjusted for change related items, during the interim period was 21.7 per cent (21.8) and 21.9 per cent (22.0) in the second quarter.

Operating costs, excluding depreciation, amounted to SEK 128 M (159) during the interim period. Operating costs, excluding change related items and depreciation, were SEK 124 M (157), a decrease of 21 per cent or 21 per cent adjusted for changes in exchange rates.

Operating costs, excluding depreciation, amounted to SEK 63 M (73) during the second quarter. Operating costs, excluding change related items and depreciation, were SEK 59 M (72). This was a decrease of 18 per cent or 19 per cent adjusted for changes in exchange rates. The reduced cost can mainly be explained by a reduction in the number of employees and various efficiency projects that has been put in place.

Operating profit before depreciation and amortisation (EBITDA) during the interim period was SEK 6 M (-8). Adjusted for change related costs EBITDA amounted to SEK 11 M (-6). Depreciation and amortisation was SEK 10 M (9) and operating profit (EBIT) during the interim period amounted to SEK -4 M (-17).

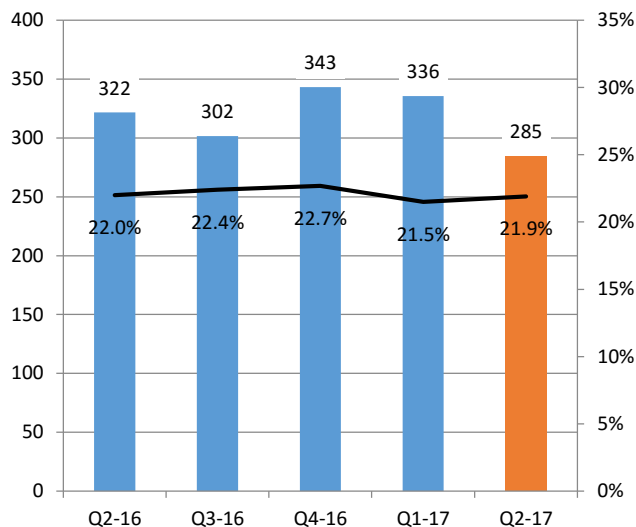
Operating profit before depreciation and amortisation (EBITDA) in the second quarter was SEK -1 M (-2.3). Adjusted for change related items, EBITDA was SEK 2.7 M (-1.7). This was the fourth consecutive quarter with positive EBITDA after adjustment for change related items. Depreciation and amortisation was SEK 5 M (5) and operating profit (EBIT) amounted to SEK -6 M (-7).

Net financial items during the interim period were SEK 7 M (-10) where of exchange rate effects were SEK -1.7 M (-1.5). Financial income and expenses amounted to SEK 9 M (-8) and were affected by interest income, revaluations of short term investments, interest expense relating to the bond issue and profit on repurchase of own bonds below nominal value.

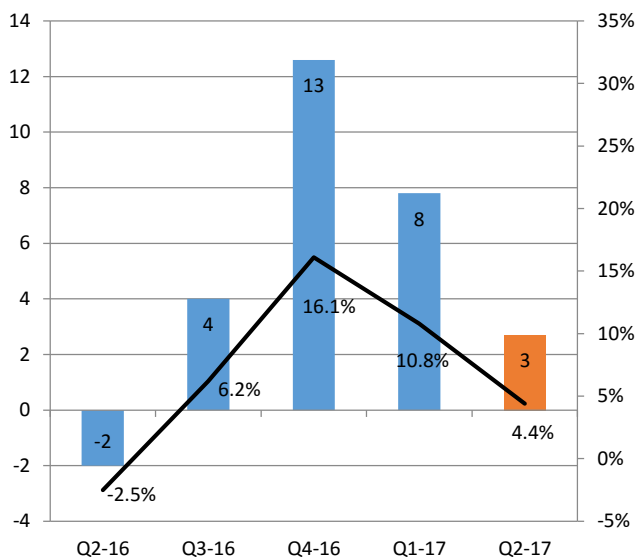
Net financial items in the second quarter were SEK 10 M (-4) where of exchange rates effects were SEK -1.9 M (-0.3).

Financial income and expenses amounted to SEK 12 M (-4). The improved net financial items were related to the repurchase of own bonds during the second quarter below nominal value.

NET SALES (SEK M) / GROSS MARGIN (%), ADJUSTED FOR CHANGE RELATED ITEMS



EBITDA (SEK M) / EBITDA/GP (%), ADJUSTED FOR CHANGE RELATED ITEMS



During the interim period corporate income tax was SEK -4 M (-1.3) and profit after tax was SEK 0 M (-28). In the second quarter corporate income tax was SEK -2.9 M (0.4) and profit after tax was SEK 1.6 M (-11).

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 6.

Tradedoubler's operational segments has previously been presented at a regional level for TD CONVERT and as a total for TD CONNECT. In conjunction with changes in the structure of the internal reporting the segments are from the first quarter 2017 presented at a regional level where Tradedoubler's segments consists of DACH (Germany, Switzerland and Austria), France & Benelux (France, Belgium and Netherlands), Nordics (Sweden, Norway, Denmark, Finland and Poland), South (Italy, Brazil and Spain) and UK & Ireland (UK). Comparative periods have been recalculated according to the new segment structure.

Net sales

Net sales during the interim period amounted to SEK 620 M (694), which was a decrease of 11 per cent or 11 per cent adjusted for changes in exchange rates.

Net sales during the second quarter amounted to SEK 284 M (322), which was a decrease of 12 per cent or 13 per cent adjusted for changes in exchange rates. The largest contributing factor to the decline in net sales is attributable to segment UK & Ireland. In this segment net sales have decreased

during the interim period by 23 per cent adjusted for changes in exchange rates, mainly related to the loss of some larger clients and the active closure of unprofitable programs formerly managed in Telford during 2016. In segment France & Benelux the decrease was 4 per cent adjusted for changes in exchange rates, which was an improvement of 12 percentages compared to the same period last year.

EBITDA

All segments report similar EBITDA compared to the same interim period last year except France & Benelux and UK & Ireland. France & Benelux EBITDA increased by 51 per cent adjusted for changes in exchange rates, mainly due to efficiency improvements in a number of different areas. In segment UK & Ireland EBITDA decreased by 62 per cent adjusted for changes in exchange rates, which is fully attributable to the decrease in net sales.

Costs for group management and support functions during the interim period amounted to SEK 35 (53), a decline of 33 per cent or 32 per cent adjusted for changes in exchange rates. Costs during the second quarter were SEK 17 M (20), a decrease of 15 per cent or 13 per cent adjusted for changes in exchange rates. The decrease is mainly due to cost savings and efficiency improvements that commenced in 2016 and has included a revised structure for group management and a reduction in administrative employees.

Segments and market units

SEK M	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Full year
Net Sales	2017	2016	2017	2016	2016
DACH	41	49	92	104	202
France & Benelux	69	70	155	156	301
Nordics	73	71	153	153	318
South	36	37	75	78	158
UK & Ireland	66	95	145	202	364
Total Net Sales	284	322	620	694	1,344
EBITDA					
DACH	3	3	8	9	15
France & Benelux	3	2	8	5	11
Nordics	4	6	12	13	30
South	5	4	10	10	18
UK & Ireland	1	3	3	9	12
Total	16	18	42	45	87
Group mgmt & support functions	-17	-20	-35	-53	-93
Total EBITDA	-1	-2	6	-8	-6
Depreciation and impairment	-5	-5	-10	-9	-45
Operating profit as in consolidated income statement	-6	-7	-4	-17	-51
EBITDA/Net sales, %					
DACH	8.0	6.6	9.0	8.4	7.3
France & Benelux	3.8	2.7	5.4	3.1	3.8
Nordics	5.8	9.0	7.6	8.5	9.3
South	15.0	10.9	14.0	12.5	11.6
UK & Ireland	1.3	2.7	3.1	4.5	3.6
Total EBITDA Margin	-0.4	-0.7	1.0	-1.1	-0.5

Segments include change related items, see page 6 for more details about the segments affected.

CASH FLOW

Cash flow from operating activities, before changes in working capital, amounted to SEK -4 M (-17) during the interim period and related to EBITDA adjusted for paid taxes, paid interest and non-cash items. Changes in working capital were SEK -51 M (-72). The negative working capital was mainly explained by reduced prepayment amounts from customers when changing to other payment terms.

Net investments in tangible and intangible assets during the interim period amounted to SEK 10 M (18). These investments mainly related to product development.

Cash flow from short term investments was SEK 30 M (23). Cash flow amounted to SEK -82 M (-94) during the interim period and net cash decreased with SEK 51 M (121).

Cash flow from operating activities before changes in working capital was SEK -10 M (-4) in the second quarter 2017 and related to EBITDA reduced with paid taxes, paid interest and non-cash items. Changes in working capital were SEK -15 M (-72).

Net investments in tangible and intangible assets during the second quarter, mainly related to product development, amounted to SEK 5 M (8). Cash flow amounted to SEK -72 M (-73) and net cash decreased by SEK 17 M (96).

During the interim period Tradedoubler repurchased SEK 62 M in nominal value of its own bond which impacted the cash flow with SEK -47 M.

Tradedoubler has invested parts of the proceeds from the bond issue in December 2013 in interest bearing financial instruments. At the end of the first quarter 2016 a total of SEK 10 M (69) was placed in interest bearing financial instruments.

FINANCIAL POSITION

Cash and cash equivalents at the end of the interim period amounted to SEK 87 (158) M and were affected by translation differences of SEK -0.2 M (-0.5). In addition, SEK 12 M (69) was invested in interest-bearing financial instruments. The sum of cash and cash equivalents and interest-bearing financial assets was therefore SEK 98 M (227). Interest-bearing liabilities amounted to SEK 132 M (247) and related to the five-year unsecured bond issue with maturity date in the fourth quarter 2018. Net cash hence amounted to SEK -35 M (-21) at the end of the interim period 2017. The company is currently and on a continued basis evaluating options in the capital market to secure long-term financing.

Consolidated shareholders' equity amounted to SEK 212 M (222) at the end of the interim period and the equity/asset ratio was 29.2 per cent (25.5). The return on equity during the rolling 12 months ending June 2017 was negative.

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 the interim period 2017 change related items amounted to SEK -4 M which related to costs for the long-term incentive programme of SEK -0.5 M (Group management) and severance payments of SEK -1.5 M (UK & Ireland) and SEK -2 M (France & Benelux).

During the interim period 2016 change related items amounted to SEK -1.7 which related to costs for the long-term incentive programme of SEK -0.8 M (Group management) and severance payments of SEK -0.9 M (DACH).

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 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 38 M (36) during the interim period and to SEK 14 M (17) during the second quarter. Revenue primarily consisted of internal licensing revenue to subsidiaries.

Operating profit (EBIT) was SEK -9 M (-20) during the interim period and SEK -8 M (-8) during the second quarter.

Net financial items amounted to SEK 8 M (-8) during the interim period and to SEK 11 M (-4) during the second quarter. Dividends from group companies impacted the interim period with SEK 0.9 M (1.7). Changes in exchange rates impacted the interim period with SEK -0.9 M (-1.4).

Corporate taxes were SEK 0 M (0) during the interim period and SEK 0 M (0) during the second quarter. Profit after tax was SEK -1.1 M (-28) during the interim period and SEK 2.9 M (-12) during the second quarter.

The parent company's receivables from group companies amounted to SEK 68 M (62) at the end of the second quarter 2017, of which none (0) were non-current. The parent company's liabilities to group companies were SEK 70 M (97), of which none (0) were non-current. Cash and cash equivalents amounted to SEK 43 M (129) at the end of the second quarter 2017.

During the fourth quarter 2013 the parent company issued a bond loan with the nominal value of SEK 250 M. Parts of the proceeds from the bond loan have been invested in short term investments. Tradedoubler have repurchased part of its own bond hence the remaining nominal value at the end of the second quarter 2017 amounted to SEK 134 M.

Deferred tax assets amounted to SEK 14 M (14) at the end of the second quarter 2017 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 period.

EMPLOYEES

At the end of the second quarter 2017, Tradedoubler's staff corresponded to 294 (367) 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 2016 Annual Report. No significant risks and uncertainty factors have arisen in addition to those described in the 2016 annual report.

CRITICAL ESTIMATES AND JUDGEMENTS

For information regarding critical estimates and judgements in the financial statements, see note C2 in the 2016 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 first party transactions have occurred during the interim period 2017. Reworld Media has, as a publisher in France received remuneration of 14 KEUR and since January 2016 Reworld Media is providing HR-support to the French subsidiary at the cost of 3 KEUR per month. In addition, Reworld Media has during the interim period been invoiced for purchased services from Tradedoubler France of 66 KEUR in total. The arm's length principle has been applied on these transactions.

ANNUAL GENERAL MEETING

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 on change of the terms of the long term incentive programme 2015 in order for the Board to be able to revoke upon allocation if the share price by the end of the Performance period is within the interval SEK 10-15. For the participants the proposal will result in more favourable terms than the terms adopted by the AGM 2015 being that allocation would require that the share price during the Performance period increases to at least SEK 15.

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, to resolve on new issues of shares, warrants and/or convertibles to a maximum fifty (50) per cent of the total number of outstanding shares in the company per the date of the annual general meeting notice. The authorization shall also include the right to resolve on new issues where the shares, warrants or convertibles are to be paid for with non-cash consideration, through set-off or otherwise with conditions pursuant to the Swedish Companies Act. Cash or offset issues deviating from shareholders' preferential right must take place on market terms.

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 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 <http://www.tradedoubler.com/en/about/investors/corporate-governance/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 17 countries involving nine different currencies, with Euro (EUR) and British pounds (GBP) representing the majority share. During the second quarter 2017 approximately 51 (49) per cent of group sales were made in EUR and approximately 23 (29) per cent in GBP. Approximately 39 (33) per cent of the group's operational costs were in EUR and approximately 18 (29) 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.

ACQUISITION

During the second quarter the first contingent additional purchase price attributable to the acquisition of R-Advertising, amounting to SEK 4 M, was paid by use of shares in own custody.

In July 2017 Tradedoubler acquired the Swedish company Metapic. Acquisition investments and expenditures were limited.

MISCELLANEOUS

Significant events after the balance sheet date

No significant events have occurred after the end of the reporting period.

Accounting policies

This interim report is prepared in accordance with IAS 34, interim financial reporting and the Swedish annual accounts act. In addition to changes in the outstanding bond loan, the extent and nature of financial assets and liabilities are of the same nature and level as reported on 31 December 2016. Short term investments are valued at fair value. Financial liabilities carrying values are the same as the fair values with the exception of the bond loan which fair value according to level 2 amounts to SEK 94 M (based on liquid trading price) compared to the carrying amount of SEK 132 M. No new or amended standards have been applied in 2017.

For information on the accounting policies applied, see the 2016 annual report. In conjunction with changes in the structure for internal reporting the segment reporting is from the first quarter 2017 presented at a regional level where Tradedoubler's segments consists of DACH (Germany, Switzerland and Austria), France & Benelux (France, Belgium and Netherlands), Nordics (Sweden, Norway, Denmark, Finland and Poland), South (Italy, Brazil and Spain) and UK & Ireland (UK).

The share

The total number of shares at the end of the interim period 2017 was 45,927,449 (45,927,449), of which 2,010,473 (3,595,000) were in own custody after use of own shares in the acquisition of R-Advertising first at the time of acquisition in December and then in the second quarter 2017 for the outcome of the contingent additional purchase price. The average number of outstanding shares during the interim period 2017 was 43,212,742 (42,332,449).

Earnings per share, before and after dilution, amounted to SEK 0 (-0.66) during the interim period and to SEK 0.04 (-0.26) during the second quarter. Equity per share amounted to SEK 4.60 (4.80) at the end of interim period.

The share price closed at SEK 5.00 on the final trading day of the second quarter 2017, which was higher than at year-end 2016 when the share price closed at SEK 4.85.

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 2016 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 or by telephone +46 8 405 08 00.

Financial information

Interim report Jan-Sep 2017	7 November 2017
Year-end report 2017	6 February 2018

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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 30 August 2017 at 08.00 a.m. CET. Numerical data in brackets refers to the corresponding periods in 2016 unless otherwise stated. Rounding off differences may arise.

Review

This interim report has 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 June 2017 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, 30 August 2017

Pascal Chevalier
Chairman

Gautier Normand
Board member

Jérémy Parola
Board member

Erik Siekmann
Board member

Nils Carlsson
Board member

Matthias Stadelmeyer
President and CEO

REVIEW REPORT

TradeDoubler AB (publ), corporate identity number 556575-7423

INTRODUCTION

We have reviewed the condensed interim report for TradeDoubler AB (publ) as of June 30, 2017 and for the six months' period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 *Review of Interim Financial Statements Performed by the Independent Auditor of the Entity*. A review 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 other generally accepted auditing standards in Sweden. The procedures performed in a review do 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 interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, 30 August 2017
Ernst & Young AB

Erik Sandström
Authorised Public Accountant

Consolidated income statement

SEK 000s	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Net Sales	284,487	321,732	620,052	694,055	1,343,994
Cost of goods sold	-222,296	-251,042	-485,727	-542,714	-1,041,753
Gross profit	62,191	70,690	134,325	151,340	302,241
Selling expenses	-47,206	-53,014	-92,247	-107,437	-210,397
Administrative expenses	-14,257	-16,907	-32,333	-43,872	-86,379
Development expenses	-6,490	-7,771	-13,328	-17,008	-56,736
Operating profit	-5,763	-7,001	-3,583	-16,977	-51,271
Net financial items	10,199	-4,441	7,385	-9,542	8,614
Profit before tax	4,436	-11,442	3,802	-26,519	-42,657
Tax	-2,871	410	-3,795	-1,270	-7,434
Net Profit	1,565	-11,032	8	-27,790	-50,091

All earnings accrue to the parent company's shareholders.

Consolidated statement of comprehensive income

SEK 000s	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Profit for the period, after tax	1,565	-11,032	8	-27,790	-50,091
Other comprehensive income					
<i>Items that subsequently will be reversed in the income statement</i>					
Translation difference, net after tax	1,210	2,080	1,492	962	3,965
Total comprehensive income for the period, after tax	2,775	-8,952	1,500	-26,828	-46,126
<i>Comprehensive income attributable to:</i>					
Parent company shareholders	2,775	-8,952	1,500	-26,828	-46,126

Earnings per share

SEK	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Earnings per share	0.04	-0.26	0.00	-0.66	-1.18
Number of Shares					
Weighted average	43,353,589	42,332,449	43,212,742	42,332,449	42,373,529

The earnings per share above apply before and after dilution.

Key ratios - Group

	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Gross profit (GP) / revenue (%)	21.9	22.0	21.7	21.8	22.5
EBITDA / revenue (%)	-0.4	-0.7	1.0	-1.1	-0.5
EBITDA / gross profit (GP) (%)	-1.7	-3.2	4.6	-5.0	-2.0
Equity/assets ratio (%)	29.2	25.5	29.2	25.5	23.7
Return on equity (12 months) (%)	-10.3	-58.7	-10.3	-58.7	-22.0
Average number of employees	305	379	322	390	372
Return on Capital Employed (12 months) (%)	0.7	-23.2	0.7	-23.2	-5.4
Working Capital end of period (SEK M)	-109	-122	-109	-122	-162
Cash flow from operating activities per share, SEK	-0.6	-1.8	-1.3	-2.1	-0.5
Equity per share, SEK	4.6	4.8	4.6	4.8	4.5
Stock price at the end of the period, SEK	5.0	6.3	5.0	6.3	4.9

Consolidated statement of financial position

SEK 000s	30 Jun 2017	30 Jun 2016	31 Dec 2016
Assets			
Non-current assets			
Goodwill	274,473	247,198	273,073
Intangible fixed assets	54,493	70,777	52,226
Tangible fixed assets	4,120	4,881	6,185
Other non-current receivables	5,005	5,406	4,882
Shares and participation in other companies	11,128	11,128	11,128
Deferred tax assets	19,134	20,505	19,143
Total non-current assets	368,353	359,895	366,636
Accounts receivable	235,826	247,753	260,902
Tax assets	4,164	9,383	7,733
Other current receivables	22,453	27,644	25,215
Short term investments	10,399	68,688	40,622
Cash & cash equivalents	87,143	158,002	169,198
Total current assets	359,985	511,470	503,671
Total assets	728,337	871,364	870,306
Shareholders' equity and liabilities			
Shareholders' equity	212,418	221,580	206,529
Deferred tax liabilities	1,310	1,061	711
Other provisions	1,159	704	930
Bond loan	132,401	247,311	193,856
Contingent additional purchase price long term	-	-	12,437
Total non-current liabilities	134,871	249,077	207,934
Accounts payable	12,530	14,780	22,638
Current liabilities to publishers	255,917	238,473	250,318
Tax liabilities	2,661	3,310	4,606
Contingent additional purchase price short term	11,204	-	2,914
Other current liabilities	98,735	144,145	175,368
Total current liabilities	381,048	400,708	455,843
Total shareholder 's equity and liabilities	728,337	871,364	870,306

Consolidated statement of changes in equity

SEK 000s	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Opening balance	205,519	230,055	206,529	247,931	247,931
Total comprehensive income for the period	2,775	-8,952	1,500	-28,113	-46,126
Equity-settled share-based payments	-22	476	244	476	645
Decrease of shares in own custody	4,146	-	4,146	-	4,078
Closing balance	212,418	221,580	212,418	221,580	206,529

All capital accrues to the parent company's shareholders.

Consolidated statement of cash flows

SEK 000s	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
<i>Operating activities</i>					
Profit before tax	4,436	-11,442	3,802	-26,520	-42,657
Adjustments for items not included in cashflow	-11,947	4,957	-6,560	6,788	22,060
Income taxes paid/received	-2,117	2,006	-1,342	3,076	1,710
Cashflow from operating activities before changes in working capital	-9,628	-4,479	-4,099	-16,655	-18,887
Changes in working capital	-15,406	-71,825	-50,687	-72,020	-44,855
Cashflow from operating activities	-25,034	-76,304	-54,786	-88,676	-63,742
<i>Investing activities</i>					
Investments in intangible assets	-5,451	-8,102	-10,146	-17,806	-33,613
Investments in tangible assets	-35	-8	-53	-61	-2,132
Investments in financial assets	-92	-11,323	-122	-11,323	-10,799
Aquisition and disposal of subsidiaries	-	-	-	-	3,750
Short term investments	-	-	-	-	-
Sale of short term investments	5,099	23,163	30,332	23,483	51,935
Cashflow from investing activities	-479	3,731	20,010	-5,707	9,141
<i>Financing activities</i>					
Repurchase of own bond	-46,562	-	-47,098	-	-28,552
Cashflow from financing activities	-46,562	0	-47,098	0	-28,552
Cashflow for the period	-72,075	-72,574	-81,874	-94,382	-83,153
Cash and cash equivalents					
On the opening date	159,476	230,228	169,198	252,886	252,886
Translation difference in cash and cash equivalents	-258	347	-181	-501	-536
Cash and cash equivalents on the closing date	87,143	158,002	87,143	158,002	169,198
<i>Adjustments for non-cash items</i>					
Depreciation and impairment	4,729	4,723	9,817	9,371	45,102
Other	-16,675	234	-16,377	-2,583	-23,042
Total non-cash items	-11,947	4,957	-6,560	6,788	22,060

Income statement - Parent company

SEK 000s	Apr-Jun 2017	Apr-Jun 2016	Jan-Jun 2017	Jan-Jun 2016	Full year 2016
Net Sales	13,520	16,852	37,543	36,159	69,762
Cost of goods sold	-1,910	-1,398	-4,164	-3,003	-7,144
Gross profit	11,610	15,454	33,378	33,156	62,618
Selling expenses	-28	-62	-33	-298	-421
Administrative expenses	-14,804	-17,894	-32,314	-41,386	-80,928
Development expenses	-5,023	-5,778	-10,233	-11,870	-46,970
Operating profit	-8,246	-8,280	-9,203	-20,398	-65,702
Net financial items	11,131	-3,607	8,072	-7,810	23,227
Profit before tax	2,885	-11,887	-1,131	-28,208	-42,475
Tax	-	-	-	-	-190
Net profit	2,885	-11,887	-1,131	-28,208	-42,664

Balance sheet - Parent company

SEK 000s	30 Jun 2017	30 Jun 2016	31 Dec 2016
Assets			
Intangible assets	53,916	70,885	52,327
Equipment, tools, fixtures and fittings	1,825	407	2,251
Participation in group companies	189,235	169,828	189,263
Deferred tax assets	14,033	14,223	14,033
Total non-current assets	259,009	255,343	257,874
Accounts receivable	1,354	3,487	3,230
Receivables from Group companies	67,771	62,129	71,476
Tax assets	675	599	1,014
Other current receivables	7,043	10,119	6,892
Short term investments	10,399	68,688	40,622
Cash & cash equivalents	43,265	129,372	123,676
Total current assets	130,507	274,394	246,910
Total assets	389,516	529,737	504,783
Shareholders' equity and liabilities			
Shareholders equity	97,061	104,012	93,802
Bond loan	132,401	247,311	193,856
Contingent additional purchase price long term	-	-	12,437
Total non-current liabilities	132,401	247,311	206,293
Accounts payable	3,010	6,695	12,744
Liabilities to Group companies	69,625	97,381	108,546
Contingent additional purchase price short term	11,204	-	2,914
Other liabilities	76,213	74,338	80,485
Total current liabilities	160,053	178,414	204,688
Total shareholder's equity and liabilities	389,516	529,737	504,783

Quarterly summary

Consolidated income statement

SEK 000s	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015	Jul-Sep 2015
Net Sales	284,487	335,566	346,128	303,811	321,732	372,323	400,041	378,239
Cost of goods sold	-222,296	-263,431	-265,049	-233,990	-251,042	-291,673	-315,275	-299,270
Gross profit	62,191	72,134	81,079	69,821	70,690	80,650	84,767	78,969
Total costs	-67,953	-69,954	-114,399	-70,795	-77,692	-90,626	-192,195	-87,822
Operating profit	-5,763	2,180	-33,320	-974	-7,001	-9,976	-107,428	-8,853
Net financial items	10,199	-2,813	22,427	-4,271	-4,441	-5,101	-4,294	-5,559
Profit before tax	4,436	-633	-10,893	-5,245	-11,442	-15,078	-111,722	-14,412
Tax	-2,871	-924	-5,208	-955	410	-1,680	-29,054	-2,665
Net profit	1,565	-1,557	-16,101	-6,199	-11,032	-16,758	-140,776	-17,077

Consolidated statement of financial position

SEK 000s	30 Jun 2017	31 Mar 2017	31 Dec 2016	30 Sep 2016	30 Jun 2016	31 Mar 2016	31 Dec 2015	30 Sep 2015
Assets								
Intangible fixed assets	328,966	326,484	325,298	326,671	317,975	312,103	307,310	393,407
Other fixed assets	39,387	40,208	41,337	42,800	41,919	31,277	33,130	59,911
Current receivables	262,443	266,262	293,851	295,296	284,780	296,718	375,440	363,608
Short term investments	10,399	15,412	40,622	40,783	68,688	91,817	93,641	101,223
Cash & cash equivalents	87,143	159,475	169,198	182,904	158,002	230,228	252,886	209,112
Total assets	728,337	807,841	870,306	888,453	871,364	962,143	1,062,408	1,127,261
Shareholders' equity and liabilities								
Shareholders' equity	212,418	205,519	206,529	220,420	221,580	230,055	247,931	398,269
Long-term non-interest bearing debt	2,470	16,122	14,078	1,873	1,765	1,854	2,460	1,111
Long-term interest bearing debt	132,401	193,129	193,856	247,584	247,311	247,039	246,766	246,494
Current non-interest bearing debt	381,048	393,072	455,843	418,577	400,708	483,195	565,250	481,388
Total shareholder's equity and liabilities	728,337	807,841	870,306	888,453	871,364	962,143	1,062,408	1,127,261

Consolidated statement of cash flows

SEK 000s	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015	Jul-Sep 2015
<i>Operating activities</i>								
Profit before tax	4,436	-633	-10,908	-5,230	-11,442	-15,078	-111,722	-14,412
Adjustments for items not included in cash flow	-11,947	5,387	14,904	368	4,957	1,831	112,065	1,721
Tax paid	-2,117	776	-366	-1,000	2,006	1,070	-1,964	-2,010
Cash flow from changes in working capital	-15,406	-35,281	16,195	10,971	-71,825	-195	57,891	7,963
Cash flow from operating activities	-25,034	-29,752	19,825	5,108	-76,304	-12,372	56,269	-6,739
Cash flow from investing activities	-479	20,488	-4,092	18,939	3,731	-9,437	-11,580	714
Cash flow from financing activities	-46,562	-536	-28,552	0	0	0	0	0
Cash flow for the period	-72,075	-9,799	-12,818	24,048	-72,574	-21,809	44,689	-6,025
Cash and cash equivalents								
On the opening date	159,476	169,198	182,904	158,002	230,228	252,886	209,112	218,204
Translation difference	-258	76	-887	854	347	-849	-916	-3,067
Cash and cash equivalents on the closing date	87,143	159,476	169,198	182,904	158,002	230,228	252,886	209,112

Key ratios - Group

	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015	Jul-Sep 2015
Gross profit (GP) / revenue (%)	21.9	21.5	23.4	23.0	22.0	21.7	21.2	20.9
EBITDA / revenue (%)	-0.4	2.2	-0.6	1.2	-0.7	-1.4	-4.1	-0.8
EBITDA / gross profit (GP) (%)	-1.7	10.1	-2.7	5.2	-3.2	-6.6	-19.6	-3.8
Equity/assets ratio (%)	29.2	25.4	23.7	24.9	25.5	23.9	23.4	35.5
Return on equity last 12 months (%)	-10.3	-16.0	-22.0	-56.5	-58.7	-59.2	-55.1	-27.6
Average number of employees	305	339	346	361	379	401	403	389
Return on Capital Employed last 12 months (%)	0.7	-2.8	-5.4	-22.2	-23.2	-24.8	-23.7	-14.9
Working capital at the end of the period (SEK M)	-109	-125	-162	-130	-122	-193	-199	-127
Cash flow from operating activities per share, SEK	-0.6	0.1	1.5	0.1	-1.8	-0.3	1.3	-0.2
Equity per share, SEK	4.6	4.5	4.5	4.8	4.8	5.0	5.4	8.7
Stock price at the end of the period, SEK	5.0	5.0	4.9	5.5	6.3	5.5	5.6	6.9

Segments

SEK M	Apr-Jun 2017	Jan-Mar 2017	Oct-Dec 2016	Jul-Sep 2016	Apr-Jun 2016	Jan-Mar 2016	Oct-Dec 2015	Jul-Sep 2015
DACH								
Net sales	41.1	51.2	51.4	46.5	48.6	55.9	60.2	50.7
EBITDA	3.3	5.0	1.8	4.3	3.2	5.5	6.3	3.4
France & Benelux								
Net sales	68.9	85.9	79.4	66.0	70.2	85.7	80.5	78.7
EBITDA	2.6	5.6	4.3	2.4	1.9	2.9	-1.8	3.6
Nordics								
Net sales	72.5	80.5	92.1	73.0	70.9	82.3	87.5	80.7
EBITDA	4.2	7.4	8.6	8.0	6.4	6.6	10.1	10.3
South								
Net sales	36.1	38.8	40.7	39.5	37.2	40.9	42.5	46.9
EBITDA	5.4	5.1	3.6	5.1	4.1	5.7	1.4	5.4
UK & Ireland								
Net sales	65.7	79.1	82.6	78.9	94.8	107.6	129.3	121.2
EBITDA	0.8	2.2	-0.1	3.5	2.6	6.4	7.6	7.2
Group management & support functions								
Net sales	-	-	-	-	-	-	-	-
EBITDA	-17.4	-18.0	-20.4	-19.5	-20.4	-32.5	-40.1	-32.9
Total								
Net sales	284.5	335.6	346.1	303.8	321.7	372.3	400.0	378.2
EBITDA	-1.0	7.3	-2.2	3.6	-2.3	-5.3	-16.6	-3.0

Key ratios

Tradedoubler uses the key ratios of capital employed and solidity 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

Capital employed

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

EBITDA

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

EBITDA-margin

EBITDA as a percentage of revenue.
Equity/assets ratio - Shareholders' equity as a percentage of total assets.

Net margin

Profit after tax as a percentage of sales.

Operating margin

Operating profit as a percentage of revenue.

Percentage of risk-bearing capital

Total of shareholders' equity, minority interests, shareholder loans and deferred tax liabilities divided by total assets.

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.

Solidity

Total equity as a percentage of total assets.



Working capital

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

Change related items

The purpose of disclosing change related items separately is to make it easier for the reader to understand the underlying year-on-year development.

Our offerings create smarter results through traffic, technology and expertise

 <p>TD CONVERT</p>	<p>Our successful affiliate marketing solution: using our network of 180,000 publishers, advertisers can increase sales and pay only for results.</p>
 <p>TD CONNECT</p>	<p>Our unique white-label global partner management platform: clients can use our technology to manage all their digital marketing activity.</p>
 <p>TD ENGAGE</p>	<p>Our full service programmatic solution uses data and insights to identify the most effective inventory across all screens; campaigns are optimised against performance goals.</p>
 <p>TD ADAPT</p>	<p>Our industry-leading business intelligence platform: visualises programme, device and channel performance to create the insights needed to optimise digital marketing campaigns.</p>

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