

# PRESS RELEASE

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## Catena Media´s Year-end report 2017

**Catena Media plc (Nasdaq Stockholm: CTM)**

**Fourth quarter of 2017 – A new record-breaking quarter**

**“A Record breaking fourth quarter and going strong in 2018.”**

Acting CEO, Henrik Persson Ekdahl

- Revenues totalled EUR 20.1m (12.3), an increase of 63 percent year-on-year and an increase of 16 percent compared with the previous quarter. Search revenues were the highest so far with organic growth of 25 percent year-on-year. The company estimates that 60 percent of the revenues are generated from regulated markets.
- EBITDA amounted to EUR 10.3m (6.1) corresponding to an EBITDA margin of 52 percent (50). EBITDA excluding non-recurring costs related to the change of listing to Nasdaq Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 11.1m (6.5) corresponding to an adjusted EBITDA margin of 55 percent (53).
- Operating profit increased to EUR 8.8m (5.7) corresponding to an operating margin of 44 percent (47). Adjusted operating profit excluding non-recurring costs related to the change of listing to Nasdaq Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 9.6m (6.2), corresponding to an adjusted operating profit margin of 48 percent (50).
- Earnings per share amounted to EUR 0.12 (0.08) before dilution and earnings per share amounted to EUR 0.11 (0.08) after dilution.
- Record in new depositing customers (NDCs) which totalled 113,258 (67,023), an increase of 69 percent year-on-year and an increase of 12 percent compared to the previous quarter.

### **Full year 2017**

- Revenues totalled EUR 67.6m (40.0), an increase of 69 percent year-on-year.
- EBITDA increased to EUR 32.6m (19.7) corresponding to an EBITDA margin of 48 percent (49). Adjusted EBITDA excluding non-recurring costs related to the new bond issue, the change of listing to Nasdaq Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 36.1m (22.1), corresponding to an adjusted EBITDA margin of 53 percent (55).
- Operating profit increased to EUR 28.4m (18.6) corresponding to an

operating margin of 42 percent (47). Adjusted operating profit excluding non-recurring costs related to the bond issue, the change of listing to Nasdaq Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 31.9m (21.0), corresponding to an adjusted operating profit margin of 47 percent (53).

- Earnings per share amounted to EUR 0.40 (0.32) before dilution and earnings per share amounted to EUR 0.40 (0.31) after dilution.
- NDCs totalled 385,642 (204,633), an increase of 88 percent year-on-year.
- The proposal from the Catena Media's Board of Directors to the annual general meeting is that, similar to 2016, no dividend is paid for 2017.

#### **Significant events during the fourth quarter**

- On 3 October 2017, the Board of Catena Media plc appointed Henrik Persson Ekdahl as Acting CEO after Robert Andersson's departure. The Board of Directors initiated the CEO changeover in order to further develop the company's strategy with a focus on profitable growth and to maximise shareholder value. Henrik Persson Ekdahl is a member of the Board of Directors of Catena Media plc and is also a partner in Optimizer Invest Limited, the largest shareholder of Catena Media.
- On 19 October 2017, Catena Media announced further expansion into new markets and the development of existing products. JohnSlots.com has been launched in Germany and the UK, and AskGamblers launched in Germany and Italy. The offering of Newcasinos.com, which was acquired earlier in 2017 and specialises in reviews and ratings of new online casinos, has been enhanced, thereby enabling faster rating of online casinos.
- On 2 November 2017, the acquisition of Pokerscout.com was announced. Pokerscout is the undisputed leader for tracking activity across the online poker industry. As one of the most iconic brands in the online poker industry, Pokerscout will contribute significantly to Catena Media's brand-first strategy in the US and global markets. Catena Media's resources will lend critical support to the usability and visibility of Pokerscout as the site continues to grow.
- On the 9 November, Catena Media expanded its offering by entering a regulated vertical for affiliate marketing focused on financial services through the acquisition of all affiliate-related assets in the Malta-based company Beyondbits Media Ltd, including the Aktiendepot.com and Qomparo.de, among other sites. The acquired assets are expected to generate quarterly sales of approximately EUR 0.8m, with an operating margin of around 70 percent. The consideration for these assets amounted to EUR 9.3m, EUR 2.8m of which has been settled with new shares issued in the parent company. Moreover, the consideration includes a maximum earn-out of EUR 5.0m based on revenue performance over a period of 12 months.

- On 16 November, the company communicated new financial goals that include EBITDA of EUR 100m in 2020, with a net debt to EBITDA range of 1.5-2.5. No dividend is planned until 2020.
- On 24 November, the company appointed Pia-Lena Olofsson as Group CFO. She will replace the current CFO, Claes Wentzel, who has resigned and will relocate to Sweden due to family reasons.
- On 28 November, 117,805 new shares in the Parent Company were issued as part settlement of the earn-out payment for the US asset acquisition. On the same date it was announced that 350,885 new shares in the Parent Company were issued as part settlement of the upfront consideration for the Beyondbits Media Limited asset acquisition.
- On 4 December, the company acquired all affiliate related assets in Baybets Limited, one of Europe's leading affiliate marketing players in the sports betting segment, with a total of 50 websites, primarily focused on the German market. The acquisition is expected to generate quarterly sales of approximately EUR 2.3m with an operating margin of approximately 70 percent. The purchase price amounts to an upfront payment of EUR 26.5m together with earn-out payments in the maximum amount of EUR 63.5m, based on the performance of the acquired assets over a period of 2 years.
- On 14 December, the company acquired Squawka.com and related assets from Squawka Limited. Squawka.com is a high-volume traffic, global, football news site with a Daily Fantasy Sports (DFS) section in beta version. The main site currently attracts around 4m users and has around 800,000 followers on Twitter. The purchase price amounted to a one-time, upfront payment of GBP 1.1m settled in cash. The acquisition is expected to generate annual sales of approximately EUR 2.0m with an estimated margin of 60 percent.
- On 18 December, 1,557,759 ordinary shares in the Parent Company were issued to be utilised as part settlement of the consideration for the Baybets Limited asset acquisition.

#### **Significant events after the reporting period**

- On 18 January, Catena Media acquired the affiliate related assets in Dreamworx Online Limited, which is active in sports, casino and financial services. Dreamworx operates sports sites such as Sportwettenanbieter.com, Fussballwetten.info and financial sites such as DeutscheFXBroker.de. The purchase price amounts to an upfront payment of EUR 9.5m, of which EUR 4.0m will be paid with newly issued shares in Catena Media plc, and the remaining EUR 5.5m in cash. The acquired assets are expected to generate quarterly sales of approximately EUR 0.6m, with an operating margin of approximately 80 percent.
- In line with Catena Media's ambitious growth targets, Catena Media is continuously exploring acquisition opportunities and reviewing its

financing options for such acquisitions. In this regard, a mandate has been given to Carnegie Bank and Danske Bank as advisors to explore the possibilities of an early refinancing of the company's existing bond loan, through an issuance of a new bond loan with greater financial flexibility and a larger frame. Catena Media, together with its advisors, will as from the 12 February 2018 meet with bond investors. After these planned investor meetings a new bond loan may be issued, including an opportunity for existing bond holders to participate (according to a separate press release), subject to current market conditions and a final decision by the company.

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**About Catena Media**

Catena Media plc is an online performance marketing company that has established a leading position through strong organic growth and acquisitions. The business was started in 2012 and the group has approximately 282 employees in the US, Australia, Japan, Serbia, UK, and Malta, where the Head Office is situated. In 2017, revenues reached approximately EUR 67,6 million. The company is listed on Nasdaq Stockholm Mid Cap. Further information is available at [www.catenamedia.com](http://www.catenamedia.com)