

PRESS RELEASE

17 May 2017

Catena Media – interim report Q1 2017

Continued strong growth

First quarter of 2017

- Revenues totalled EUR 15.23 million (7.46), an increase of 104 percent compared with the same quarter for the previous year.
- Operating profit increased to EUR 6.64 million (3.18) corresponding to an operating margin of 44 percent (43). Adjusted operating profit excluding non-recurring IPO expenses, which during this quarter related to the listing on Nasdaq Stockholm, amounted to EUR 6.99 million (4.16), corresponding to an adjusted operating profit margin of 46 percent (56).
- EBITDA increased to EUR 7.22 million (3.34) corresponding to an EBITDA margin of 47 percent (45). Adjusted EBITDA excluding non-recurring IPO expenses, which during this quarter related to the listing on Nasdaq Stockholm, amounted to EUR 7.56 million (4.32), corresponding to an adjusted EBITDA margin of 50 percent (58).
- New depositing customers (NDCs) totalled 80,421 (32,321), an increase of 149 percent compared with the same quarter for the previous year and an increase of 20 percent when compared to the previous quarter.
- Earnings per share amounted to EUR 0.083 (0.074) before dilution.
- Earnings per share amounted to EUR 0.082 (0.073) after dilution.

Significant events during and after the quarter

- In January Catena Media continued to strengthen the management team through recruitments to a number of key positions. Johannes Bergh was recruited as Chief Operating Officer (COO) and Claes Wentzel was recruited as the new Group Chief Financial Officer (CFO). Claes Wentzel has extensive experience in similar roles at several mid-sized listed companies.
- In January, 440,669 new shares in Catena Media plc were issued to be utilised as part of the settlement of the first instalment due for the US asset acquisition which was finalised in the previous quarter. Revenues from the US acquisition are reflected in Catena Media's revenues and results as from 16 January 2017.
- On 10 February Catena Media acquired the assets of the Swedish focused casino affiliate, Slotsia.com. The purchase price comprised a first instalment of EUR 3.58 million. Additional earn-out payments can amount to a maximum of EUR 5 million, and are based on the revenue performance over a period of two years.
- Furthermore, Catena Media has continued with its preparations for a move from Nasdaq First North Premier to Nasdaq Stockholm's main list (Mid Cap).
- On 30 March 2017, Catena Media secured a long-term cooperation with SBAT founder

Gary Gillis whereby the original earn-out agreement was amended and replaced by an immediate and final payment of EUR 3.25 million as settlement for the asset acquisition. Following the amendment to the acquisition agreement, the SBAT founder entered into an employment agreement with Catena Media.

- In May, Catena Media bought the assets of Online Media, a UK-based, fast-growing sports betting affiliate with a strong position within display marketing. The acquired assets have a running rate of sales of about EUR 300,000 per month and a pre-tax profit margin of more than 70%.
- On 16 May, Catena Media announced that the company was exploring the possibility of making a tap issue in an amount of EUR 50.0 million under the company's outstanding maximum EUR 100.0 million senior secured callable floating rate bonds issues due in 2019 with ISIN SE0008964720. The proceeds from the potential tap issue are intended to be used for acquisitions.

Comment from Robert Andersson, CEO

Continued strong growth

Catena Media continued its strong growth in the first quarter of 2017 and revenues amounting to record breaking EUR 15.23 million, up 104% when compared to the same quarter of the previous year. NDC numbers were also at an all-time high reaching 80,241 for the quarter, an increase of 149% compared to the same quarter of the previous year. The operating profit was up 109% in the first quarter of 2016, corresponding to EUR 6.64 million.

The first quarter of the year is seasonally strong and we are pleased to note stable growth numbers in our existing assets. AskGamblers is a great example of assets which we acquired early last year and which have trended very positively since.

Overall, the first quarter was primarily characterised by the successful integration of our US operation, several ongoing negotiations in multiple markets and the acquisition of the casino affiliate Slotsia.com. We were also pleased to reach a new agreement with the founder of SBAT that replaced the former earn-out agreement with an immediate and final payment as settlement for the asset acquisition. The fast pace of growth has also given us a delicate problem of outgrowing our office space in London, Malta and Serbia. We have therefore moved our offices in London and Serbia during the first quarter and will move in Malta during the third quarter. We have also expanded our efforts in Budapest where we have our outsourced technology teams.

As a consequence of our current M&A pipeline in combination with strategic initiatives, the Board of Directors has decided that the move to the Nasdaq Stockholm main market would be best suited to H2 2017. The decision enables us to keep a clear focus on the business and our growth strategy, while we make sure to utilise the opportunities ahead. The company has made most of the necessary preparations already and is well prepared for the move.

Focusing on revenue share for Paid media

During the quarter, we took a strategic decision to shift Paid media revenue toward a revenue share model which will increase the life-time revenues from customers, as opposed to upfront payments typical of the Paid media approach. Moreover, revenue share models are more profitable over time and contribute to building strategic value. Therefore, we have taken a decision to accelerate the shift

in Paid media towards revenue share at a faster pace than originally planned. This had a negative impact on the operating margin in the first quarter and is also expected to impact the second quarter.

In recent years, we have made several acquisitions that have impacted our intangible assets, this has resulted in increased depreciation compared to the previous quarters. This resulted in an increase in the ratio between EBITDA and EBIT. The company therefore intends to place more emphasis on operating income before depreciation, as it gives a more accurate picture of the company's development.

Catena Media will continue its solid growth

After the start of May 2017, we acquired Online Media in the UK. The transaction strengthens our offering in sports betting and broadens the existing media offering to customers through the addition of alternative display marketing.

Consolidation in the affiliate market has increased during the last quarters; Catena Media wants to capture a leading role and is predominantly focussing on larger assets since we are well positioned to capitalise on the growing market. With our dedicated team, we will continue to build Catena Media's solid growth story. Based on the company's acquisition agenda, the Board has decided to investigate the possibility of utilising the remaining bond volume within the existing bond framework.

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About Catena Media

Catena Media is a fast-growing online performance marketing and lead generation company within iGaming with portals like [AskGamblers](#) and [RightCasino](#). The Group has established a leading market position through strong organic growth and acquisitions in its core markets. Catena Media was listed on Nasdaq Stockholm First North Premier in February 2016. By the end of 2016, the company's revenues reached more than EUR 40 million on a yearly basis. The Group was founded in 2012 and has today about 200 employees. The Group Head Office is situated in Malta. The company's certified advisor is Avanza.