catenamedia

ANNUAL REPORT

2020

Our story

Catena Media has become the largest lead generator delivering high-value iGaming and financial online customers. In recent years we have achieved unparalleled growth because we have adapted to market developments and user needs, and built a scalable business model and an advanced technology platform. We have carried out several M&As and adapted our organisation for organic growth, through both expertise and resources.

We aim to be the number-one choice within global, innovative, performance-based online marketing. We will build outstanding relationships and always ensure partner brand growth by providing high-quality, partner-integrated products with superior user experiences. By focusing on strong brands within Sports, Casino and and Financial Services – moving from M&As to organic growth – our goal is to become a global business with local presence on all continents.

Catena Media is partner-focused and will continue to deliver high-value users at low risk to growing companies. We are the perfect choice for top management, and specifically for communication managers, fulfilling their need for a strong partner that can show clear return on investment.

In the ever-growing, ever-changing, performance-based marketing business, where technology is constantly developing, regulations changing, competitors merging and personnel moving between organisations, Catena Media aims to be the true leader: setting the benchmark through cutting-edge business intelligence, continuous innovation, quality content, regulatory compliance and social responsibility.

We offer a reliable alternative to traditional media – a smart branding choice – by providing quality, actionable content driven by return on investment.

COMMENTS FROM CHAIRMAN OF THE BOARD OF DIRECTORS GÖRAN BLOMBERG

The Group has shown resilience this past year in facing the challenges of the ongoing pandemic. All of us have been forced to adapt our lives to the new situation, and part of this "new normal" might very well remain for some time.

Coming into 2020 we faced a considerable challenge in dealing with our relatively high debt level. Thanks to the successful rights issue of hybrid bonds, combined with a strong operating cash flow, we succeeded in significantly strengthening our financial position and reduced our Net debt/adjusted EBITDA during 2020 from 3.5 down to 1.1.

Our improved financial position will enable us to start looking for strategic acquisitions within rapidly growing business areas, as well as opening up for future dividends and share buybacks.

2020 brought a natural decline in the Sports business due to COVID-19. We also saw a decline in part of the legacy business. In order to mitigate this development, we put a transformation programme in place to turn these areas around.

Through this process it became clear that this transformation required a different CEO profile to execute the necessary growth actions. Therefore I am so pleased to welcome Michael Daly as our new CEO for Catena Media as of 1 March. Michael has built our US entity into a rapidly growing and profitable business in a very successful manner. I am confident that in him we have found the right person to move Catena Media into the next phase – a phase of even higher growth and profitability.

Catena Media has a very strong market position and good momentum in most business areas. With the new transformation programme in place, the less profitable business areas will increase their efficiency and also contribute to future growth. 2021 has already started well with a continued substantially strong growth for our US business. I have every reason to believe in prosperous development ahead.

STATEMENT FROM THE NEW CEO MICHAEL DALY

There is a quote out there: "Vision without action is merely a dream", and while whoever originally said it was likely not talking about Catena Media, I think it fits our organisation's intentions for 2021. We will not just dream.

The world continues to shift, and only those who are able to shift with it will excel. That's as true in affiliate marketing as in any other business, and we at Catena Media need to be ever vigilant in this regard. Our markets have changed: the UK has regulated, Germany is regulating, the Netherlands is opening, the United States is blossoming, just to name a few.

As these changes occur, so must Catena Media. We've done an excellent job at developing new markets, such as in the US and Japan, and early inroads into Latin America. In 2021 we will continue to drive those growth engines.

Where we have done less well, is in those existing markets where change was imminent and required action. In 2021 we expect to see a refreshed culture within Catena Media, one focused on vision WITH action. We will retake Germany as that market opens, grow out markets like the UK, and develop many of the areas that are unfairly referred to externally as the "legacy" business. These are growth areas, unappreciated and under-actioned for a bit by our organisation, but should still be viewed as growth opportunities. Some will come screaming back over the course of 2021, while others may be a longer play game. But with the right strategy and with focused teams empowered to act, we will win both the short and long games globally. While this will require further commitment by the exceptional teams we have, and likely some level of investment, if managed appropriately this can all be achieved while still continuing to earn the high margins Catena Media has historically reported, but with a continually growing value.

The CEO for Catena Media 2020 was Per Hellberg

The Chairman of the Board of Directors Göran Blomberg acted as CEO 4 January 2021 – February 2021

The CEO as of 1 March 2021 is Michael Daly, former VP North America Catena Media

HISTORY

Catena Media is a young company, founded as a startup in Malta in 2012 by two SEO experts. Catena Media was their third startup by then, and Catena Media was initially focused on lead generation for online insurance and Bingo. The same year they started, an investment company bought 50% of the firm and the focus shifted to lead generation for primarily online Casino. Catena Media is today well-distanced from all minor competitors, but still a startup at heart, which imbues the entire company culture. To try, to make mistakes, to try again and to learn is everyday life at Catena Media. Catena Media offers a reliable alternative to traditional media – a smarter way of acquiring customers, by providing better, more actionable content driven by return on investment. Creating true value for our customers.

2012
Catena Media is founded.

2015 OCTOBER
The acquisition of Right Casino Media results in a new office in London.

2016 FEBRUARY
Catena Media is listed on Nasdaq First North.

2016 APRIL
Acquires AskGamblers and establishes a vital business presence in Belgrade.

2017 SEPTEMBER
Catena Media is listed on Nasdaq Stockholm Mid Cap.

2017 SEPTEMBER
With the acquisition of a Tokyo-based affiliate, a new hub for Asia is set up.

2017 OCTOBER
Henrik Persson Ekdahl takes over as interim CEO, pushing the company into a growth phase.

2017 OCTOBER
In the multi-record-breaking 3rd quarter 100,000 Net Deposit Customers are reached for the first time.

2017 NOVEMBER
The acquisition of BeyondBits is the first in the financial services segment.

2017 NOVEMBER
Acquires well established PokerScout.com in connection with new online gaming legislation in Pennsylvania, US.

2017 DECEMBER
All affiliated assets in the largest German-focused sports lead generator, Baybets Ltd, are acquired.

2018 MAY
New CEO Per Hellberg takes office and Henrik Persson Ekdahl returns to the board of directors, remaining a major owner.

2018 JUNE
By acquiring the US-based premium equity service The Hammerstone, Catena Media strengthens its financial segment.

2018 JULY
Catena Media consolidates its lead in financial segment by acquiring premium Forex industry news website LeapRate.com

2018 NOVEMBER
Catena Media holds capital market days in London and Stockholm, presenting the new strategy of fewer, but larger and more strategic acquisitions, as well as growing organically by focusing on its own product brands for global expansion.

2019 JULY
On 17 July, Catena Media starts driving traffic to our first online casino partner going live in Pennsylvania, US.

2019 OCTOBER
Ask Gamblers reaches all-time high in the third quarter both in revenues and in NDCs.

2019 NOVEMBER
Catena Media obtains full control of the US assets acquired in December 2016.

2019 DECEMBER
Catena Media agrees on amended final terms for US assets acquired in December 2016.

2020 APRIL
Catena Media decides upon fully guaranteed rights issue of units of SEK 684 million and initiates procedure to amend the terms of its senior unsecured bond loan.

2020 JULY
Announcing record in revenues and profits – The trading update is for the second quarter 2020.

2020 DECEMBER
Catena Media repurchases bonds.

GLOBAL BUSINESS, LOCAL PRESENCE

407 EMPLOYEES

8 OFFICES IN THE WORLD

40+ NATIONALITIES

EURm 106 TOTAL SALES IN 2020

THIS IS

WHAT WE DO

We provide companies with high-quality online lead generation. Through organic growth and strategic acquisitions since 2012, we have established a leading market position. We own and develop websites with unique content, superior usability and functions that attract visitors/users and guide them to better decisions, before they move on to one of our partners.

THIS IS

HOW WE DO IT

We attract a large number of visitors through organic traffic (SEO) and paid marketing (PPC) and refer them to partners (iGaming operators or financial brokers). When the user deposits funds with the iGaming operators or financial brokers, we invoice our share of revenue.

THIS IS

WHERE WE DO IT

We have offices in the US, the UK, Sweden, Serbia, Italy, Malta (HQ), Japan and Canada. Our business model is global and scalable and we choose our locations strategically.

THIS IS

WHY WE DO IT

The digital revolution has dramatically changed consumer behaviour and the way brands need to interact with media. We offer a reliable alternative to traditional media: a smarter branding choice by providing better, more actionable content driven by return on investment on a multi-channel platform, which contributes to a personalised user experience.

2020

3%

EUR 106m
REVENUE GROWTH YOY

2020

20%

EUR 52m
ADJUSTED EBITDA GROWTH YOY

2020

29%

EUR 49.0m
OPERATING CASH FLOW GROWTH YOY

KEY FIGURES	2020	2019	2018	2017	2016
Revenues (EUR 000s)	105,991	102,817	104,970	67,650	40,049
EBITDA (EUR 000s)	50,055	40,506	47,836	32,637	19,683
EBITDA margin (%)	47	39	46	48	49
Adjusted EBITDA (EUR 000s)*	51,990	43,471	50,057	36,139	22,064
Adjusted EBITDA margin (%)*	49	42	48	53	55
Profit/(loss) before tax (EUR 000s)	14,770	(10,358)	33,134	22,853	17,509
Earnings per share before dilution (EUR)	0.20	(0.18)	0.56	0.40	0.32
Earnings per share after dilution (EUR)	0.12	(0.17)	0.52	0.40	0.31
NDC (New Depositing Customers) (000s)	444	437	539	386	205
Equity to asset ratio (%)	70	44	37	36	39
Net interest-bearing liabilities (NIBL) (EUR 000s)	57,026	150,214	136,839	87,654	5,287
NIBL/EBITDA multiple	1.14	3.71	2.86	2.69	0.27
NIBL/adjusted EBITDA multiple	1.09	3.46	2.73	2.43	0.24
NIBL (including hybrid capital securities)(EUR '000)	117,888	150,214	136,839	87,654	5,287
NIBL (including hybrid capital securities)/EBITDA multiple	2.36	3.71	2.86	2.69	0.27
NIBL (including hybrid capital securities)/Adjusted EBITDA multiple	2.27	3.46	2.73	2.43	0.24
Debt/equity ratio multiple	0.42	1.26	1.67	1.78	1.55

* Adjusted for a gain on disposal of investment in subsidiary of EUR -0.5m (2019: nil), reorganisation costs of EUR 0.5m (2019: EUR 0.3m) and other items affecting comparability totalling EUR 2.0m (2019: EUR 2.7m).

GROWTH STRATEGIES

OBJECTIVES	STRATEGIC INITIATIVES
Accelerate organic growth	• Build strong global brands • Scalable, modular technical infrastructure • Always user-centric • Optimise traffic flows
Deepen our customer relations	• Build deep insight into customers' market conditions • Act proactively and exceed our customers' expectations • Act as a service company even though we sell a product
Geographical expansion and acquisitions	• Prioritise regulated markets • Grow into new markets with our core products • Monitor new potential acquisitions • Speed up integration of acquisitions
Create a unique corporate culture	• Development programme for company management • Increased interaction between our offices • Ensure our values permeate the entire company
Create innovative energy	• Incentive programmes and activities that motivate all personnel to actively participate in innovation • Develop the R&D department

FINANCIAL TARGETS 2021-2025

Catena Media has two financial targets. The first is to reach profitable double-digit organic growth annually over the period, with the US being the core growth driver. The second relates to leverage, with the goal of operating within a net interest-bearing debt/adjusted EBITDA ratio of 0-1.75x.

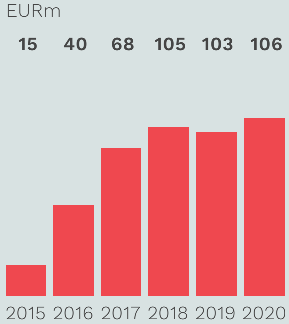
DIVIDEND

The board of directors has set a long-term dividend policy that up to 50 percent of profit after tax is to be paid out in dividends.

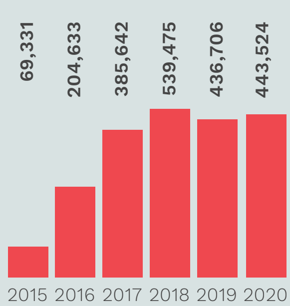
According to the restrictions in the terms and conditions of the existing senior (un)secured bonds, dividends for ordinary shares are currently not allowed. The Company intends to refinance the existing senior (un) secured bonds during the first half of 2021, which will make it possible to pay dividends from the second half of 2021. There was no dividend paid for the financial period 1 January to 31 December 2020.

REVENUE

EURm

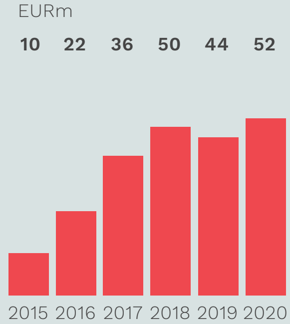


NDCs (New Depositing Customers)



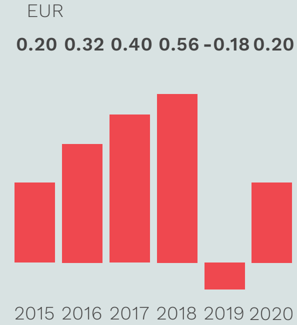
Adjusted EBITDA

EURm



Earnings per SHARE

EUR



THE SHARE

The Catena Media PLC share has been traded on the Mid Cap list of Nasdaq Stockholm since 4 September 2017. The shares were previously traded on Nasdaq Stockholm's First North Premier list, where Catena Media was listed on 11 February 2016 under the trading symbol CTM. The subscription price then was SEK 33 per share.

SHARE PERFORMANCE IN 2020

The highest trade price quoted was SEK 40.86 on 2 January, and the lowest trade price was SEK 6.84, on 18 March.

TRADING VOLUME

In 2020, a total of 504,388,236 Catena Media shares were traded and the average number of traded CTM shares per day 2020 on the Nasdaq Stockholm Mid Cap list was 2,001,540 shares.

OWNERSHIP STRUCTURE

The number of shareholders is 14,970 according to Euroclear's register of shareholders at year-end 2020. The ten largest shareholders according to Euroclear own 43.8 percent of the shares.

DIVIDEND

The Board of Directors has set a long-term dividend policy that up to 50 percent of profit after tax is to be paid out in dividends. However, no dividend will be paid before the period ending 31 December 2020. According to this policy, Catena Media will focus on growth, meaning that dividends may be low or not occur at all in the medium term.

SHARE CAPITAL

At the end of 2020, Catena Media's share capital was EUR 102,434.12. distributed among 68,289,412 shares and the same number of votes, an increase of 9,676,142 shares during the year. All shares carry equal entitlement to the company profit and equity.

OPTIONS & WARRANTS

In the 2017 programme 613,643 options and warrants were granted, of which 522,368 were share options and 91,275 were warrants. In the 2018 programme (Ltip) 1,236,110 options and warrants were granted, of which 1,220,610 were share options and 15,500 were warrants. In the 2019 programme 1,910,000 share options were granted. In the 2020 programme 1,490,000 options and warrants were granted, of which 1,325,0000 were share options and 165,000 were warrants.

SHAREHOLDER STRUCTURE

Ten largest shareholders as per 31 December 2020	%
Second Swedish National Pension Fund	8.9%
Investment AB Öresund	7.6%
Ruane, Cunnif & Goldfarb	7.3%
Avanza Pension	6.4%
Deka Investments	4.0%
Nordnet Pensionsförsäkring	2.8%
Third Swedish National Pension Fund	2.6%
ICA-handlarnas Förbund	1.5%
Roundhill Investments	1.4%
OceanView Marketing	1.3%
Sub-total, 10 largest shareholders	**43.8%**
Other shareholders	**56.2%**
Total	**100%**

KEY DATA RELATING TO CATENA MEDIA'S SHARE

	2020
Earnings per share (EUR) after dilution	0.12
Outstanding shares at year end	68,289,412
Last price paid 2020, SEK	28.00
Highest price paid 2020, SEK	40.86
Lowest price paid 2020, SEK	6.84
Number of shareholders, 31 Dec 2020	14,970
Number of shares traded in 2020	504,388,236
Marketplace	Nasdaq Stockholm
Listed	4 September 2017
Segment	Mid Cap
Sector	Discretionaries
Trading name	CTM
ISIN code	MT0001000109
Currency	SEK

2020 HAS BEEN AN EXCEPTIONAL YEAR FOR CATENA MEDIA

While the COVID-19 pandemic and its consequences were a key influencing factor for more than half a year until normalising trends appeared, our business has shown strong resilience and adaptability, and the majority of our product portfolio has developed very well. A key milestone in 2020 was certainly the successful refinancing of the business, and with that the issuance of hybrid capital securities, a significant prepayment of the senior unsecured bonds, and hence an overall reduction of our debt level by more than 60% by the end of 2020, compared to the previous year. It is worth taking a closer look at what happened with our business on a quarter-by-quarter basis.

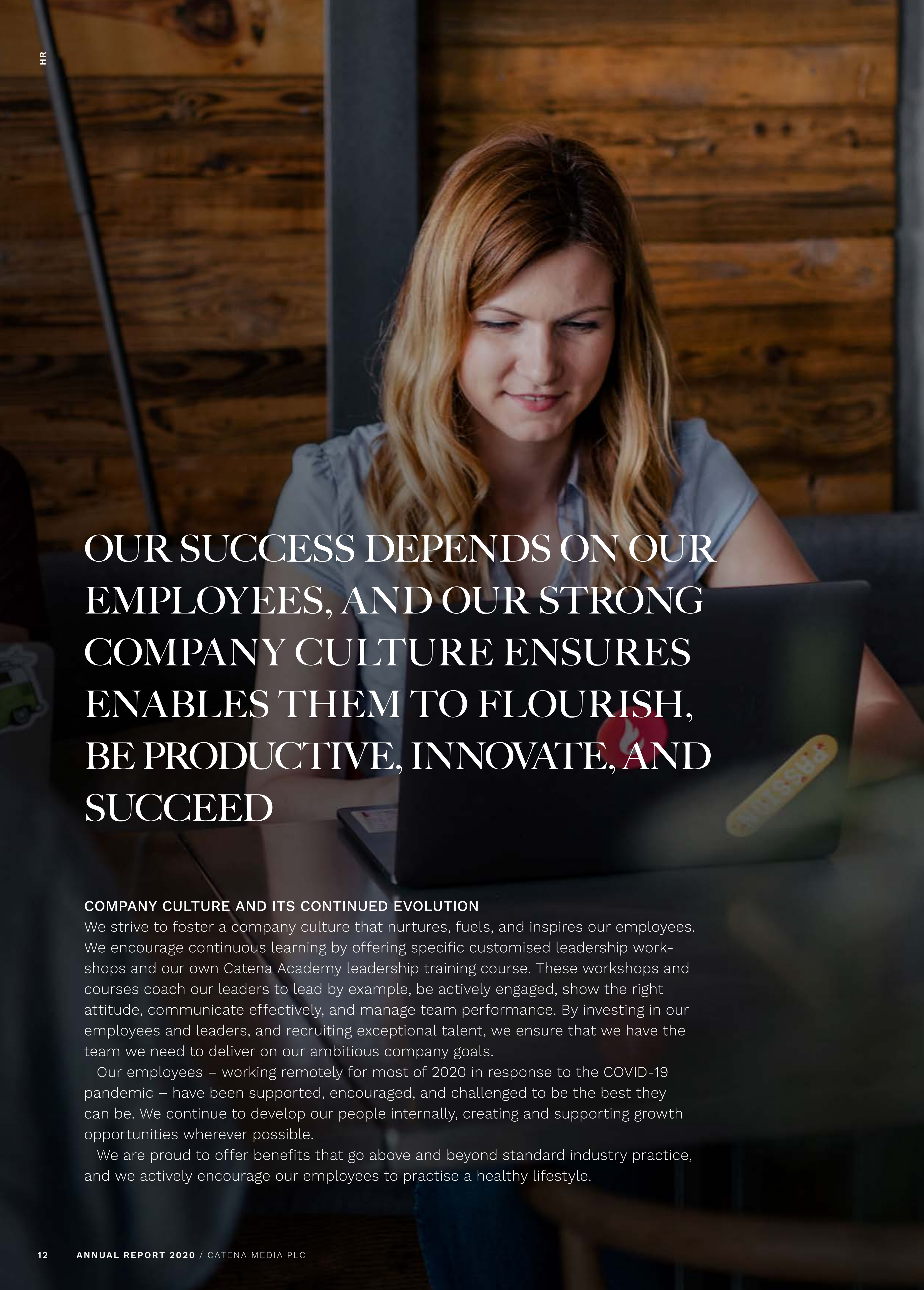
The first quarter started well, with an increase in both revenue and adjusted EBITDA compared to the previous year and with organic search revenue at an all-time high. However, the Sports segment experienced a negative impact, particularly in the last month of that first quarter, with sports events and leagues cancelled due to the COVID-19 pandemic. Nobody expected back then that this pandemic would accompany us and the world until the end of the year, and as we are seeing as we issue this report, well into 2021. By the end of the quarter, all our major offices around the world were closed as we switched to remote working. We had already introduced cost control measures earlier in the year and we strengthened them as a precautionary measure.

Following the outbreak of COVID-19 in the first quarter, the second quarter thus started with very mixed feelings. Sports events and leagues were largely cancelled by April and the sports betting world tried to pivot to other products, largely casino, poker, and lotteries. With a strong Casino product offering, our business managed well through this second quarter, and in fact reached all-time highs in revenue, organic search revenue, adjusted EBITDA, and net cash generated from operating activities, all of which were driven by exceptional performance by our US business, by Japan and by AskGamblers. Financially, this second quarter was a tremendous success. Towards the end of the quarter, we also carried out the rights issue relating to our hybrid capital securities, starting the refinancing of our business, which was completed the following quarter.

The third quarter started well with a remaining “push effect” on our Casino business after the peak of the previous quarter, but at the same time we also entered the lower summer season, accompanied by the long-awaited easing of COVID-19 restrictions around the world. As expected, we witnessed a normalisation of business performance. But at the same time, Sports had not yet recovered from the impacts of the pandemic, with events and leagues returning slower than expected, and not reaching the levels of the previous year. The quarter thus ended rather disappointingly, with a decline in revenues year-on-year. However, profitability – as measured by adjusted EBITDA – increased as a result of our strong cost controls, combined with our resilience and adaptability.

The fourth and final quarter, despite a soft start, brought the business back to where we had expected it, in particular with our Sports segment recovering to pre-COVID-19 levels. As a result, the quarter ended strong, and this momentum continued well into 2021. Fourth quarter revenues were flat year-on-year, with a slight increase in organic search revenue, but we saw an almost 10% increase in adjusted EBITDA and our second strongest result from net cash generated from operating activities. As a consequence, our debt level decreased to a historically low level, with a net debt/adjusted EBITDA ratio of 1.09. Parts of our business, approximately 15% by the end of the year, saw a declining trend, including both Sports and Casino products targeting the German market, which experienced negative pre-regulatory impacts during the quarter. We therefore initiated a transformation programme to address these weaknesses, and to increase our organisational efficiency and optimise our growth potential.

Looking back, we have ridden quite a rollercoaster this year. What we demonstrated, however, is our strong resilience and adaptability, as well as the growth potential of our business. And all of that is the result of the continuous efforts, commitment, and passion of our talented employees all over the world. While the COVID-19 pandemic may still be with us in the near term, we do not expect it to have any negative long-term effects on our business. 2020 has been an exceptional year in many ways. With the successful mid-year refinancing of our business, resulting in changes to our capital structure, the continuous strong cash generation, the measures taken to address certain weaknesses in a small part of the business, and the great overall growth potential, I could not be more optimistic for 2021 and beyond.



OUR SUCCESS DEPENDS ON OUR EMPLOYEES, AND OUR STRONG COMPANY CULTURE ENSURES ENABLES THEM TO FLOURISH, BE PRODUCTIVE, INNOVATE, AND SUCCEED

COMPANY CULTURE AND ITS CONTINUED EVOLUTION

We strive to foster a company culture that nurtures, fuels, and inspires our employees. We encourage continuous learning by offering specific customised leadership workshops and our own Catena Academy leadership training course. These workshops and courses coach our leaders to lead by example, be actively engaged, show the right attitude, communicate effectively, and manage team performance. By investing in our employees and leaders, and recruiting exceptional talent, we ensure that we have the team we need to deliver on our ambitious company goals.

Our employees – working remotely for most of 2020 in response to the COVID-19 pandemic – have been supported, encouraged, and challenged to be the best they can be. We continue to develop our people internally, creating and supporting growth opportunities wherever possible.

We are proud to offer benefits that go above and beyond standard industry practice, and we actively encourage our employees to practise a healthy lifestyle.

HEALTH AND SAFETY

At Catena Media, we are committed to promoting health and safety to ensure our premises are safe and healthy workplaces for everyone. Although our offices are temporarily closed, and our people are working remotely, this commitment applies equally while they work from the comfort of their own homes. Our ambition is to provide employees with a safe and sustainable working life and a good psychosocial work environment. We encourage regular breaks, varied work tasks and equipment adjustments to help avoid health issues. Employees are informed about our health and safety practices as part of their introduction, and a number of training activities are provided throughout the year.

We recognise the benefits of a healthy diet and regular physical activity on individual performance, and we support employees by offering benefits aimed at improving their health and wellbeing. These include: twice-daily online fitness classes (available since the initial lockdown in March), wellness bonuses, health insurance, and learning and development opportunities. Our culture committee – a team of proactive employees voted in by their peers, focusing on the Catena Media company culture alongside their own individual roles – is also dedicated to improving employee mental health and wellbeing, and initiated a variety of social and mindfulness activities throughout 2020.

2020 PRESENTED CHALLENGES FOR WORK-LIFE BALANCE

We offer a workplace that respects and supports individual circumstances. We are proud to be a family-friendly organisation and we understand the extreme challenges parents have faced this past year, juggling home schooling and caring for children while working from home. We tailor flexible working solutions to the individual, enabling our employees to effectively manage their work and personal lives. In 2020, with our workforce operating from home, we saw a need to drive initiatives that would help our employees to disconnect from work. In addition to this, we've coached our managers to promote flexibility and compassion within their teams and have asked them to limit out-of-hours communication, unless it was critical.

With offices in seven locations around Europe, the US, Asia and beyond, and individuals based in many countries, Catena Media is a truly global organisation. Thus, we have learned to expand our cultural awareness through our colleagues around the world. Communication is key, and we place great emphasis on connecting our people and nurturing our vision of 'one Catena'.

DIVERSITY AND EQUAL OPPORTUNITIES

We promote equal opportunities among our employees and job candidates, and we do not tolerate discrimination of any kind. We guarantee equal pay for equal work, regardless of gender identity

or expression. We are steadfast in our belief that diversity drives innovation and helps to develop our organisation into a uniquely competent workforce, where professional qualities are not overshadowed by undue attention to cultural background, gender or physical disabilities.

It is our ambition to have an equal distribution of men and women throughout the organisation, across all levels. Furthermore, we have a zero-tolerance policy on discrimination and sexual harassment. We have a grievance policy to enable our employees to raise any issues or complaints without fear of recrimination, and this policy ensures that any grievance is diligently followed up and suitable measures are taken. No grievances were reported in 2020.

Our Equal Opportunities and Dignity at Work Policy informs employees about the types of behaviour we find unacceptable. It also helps employees to put the policy into practice, to create harmonious work environments free from discrimination, harassment and bullying, and where every employee is treated with respect and dignity. We are proud to state that there are over 40 different nationalities represented in our workforce.

RECRUITING AND CULTIVATING TALENT

Catena Media is a rapidly growing company, and it is always a challenge to recruit and maintain talent at the required pace to sustain growth. But recruitment is not the only challenge. Sustaining the structure and routines fit for a sound HR function is also key. At Catena Media, our recruitment process treats all applicants equally and evaluates all candidates against the same criteria, regardless of their background, beliefs or physical appearance.

We offer people a rewarding space where they can cultivate their talents, carve out their own niche and contribute their unique talents to our collective 'bigger picture'. When necessary to fit the right individuals to the right roles, our recruitment process sometimes supports applicants who require visas or work permits.

REMOTE READINESS PROJECT

Shortly after the COVID-19 pandemic struck Europe, in April 2020, we embarked upon a remote readiness research project. With our people all working remotely out of necessity, the project aimed to establish whether remote working would be sustainable for us as a company in the future. The project results have been delivered to our Executive Management Team, and initial steps have been taken to begin our transition to a hybrid working model. We've hired a number of key individuals as remote-based employees in the past year, and are advancing our knowledge of the opportunities, constraints, and implications of making flexible working and remote working permanent features of the Catena ecosystem.

SPORTS

A YEAR LIKE NO OTHER

For 2020, the Sports segment represented 29 percent of total revenues, generating a margin of 26 percent. The Sports segment was negatively affected due to cancelled events, while other parts of our business were impacted positively, as people spent more time at home.

The global COVID pandemic and the resulting disruption of much of the world's sport for large periods of the year created an unprecedented challenge for any sports business. But despite some negative effects from COVID-19, business was back to normal by the end of the year.

The year started strong, but the second and third quarters were adversely impacted by the suspension of major sports leagues and global betting events like the European Football Championship and Wimbledon. It is estimated that over 20 percent of the world's sporting fixtures were cancelled in 2020. With sports events cancelled, our business pivoted its offerings towards what little sport was available globally and promoted other products, notably casino and poker, with some success. In total, though, this could not compensate for the loss of sports betting.

In the fourth quarter, and in particular in December, the business had normalised, helping drive sports to a good recovery, although with volatile margins as football was being played in empty stadiums, with fewer draws and an abnormally high number of goals per game across the main European leagues.

US SPORTS WELL-POSITIONED

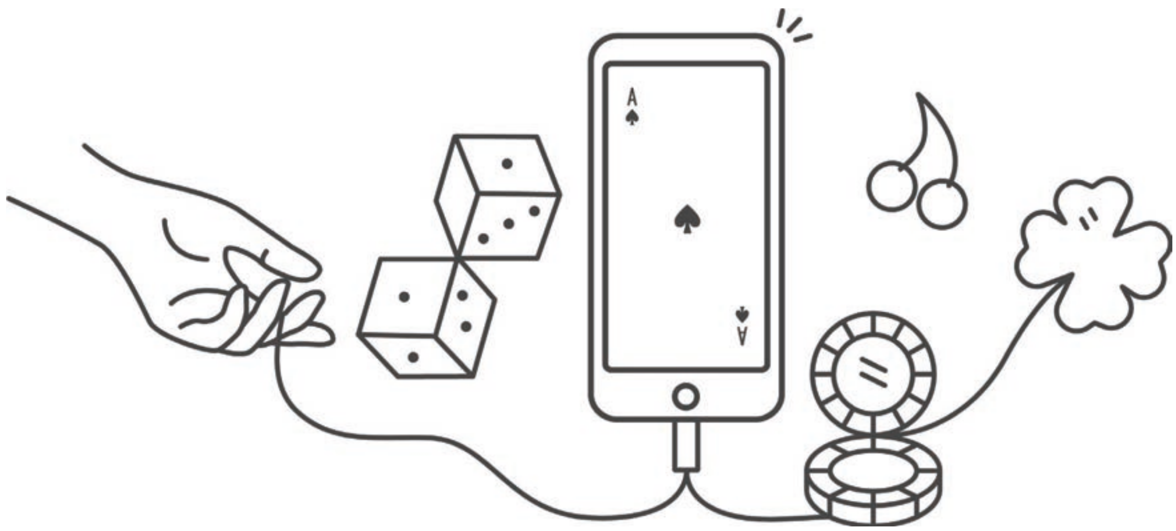
The NFL season ran reasonably well in the fourth quarter despite a few COVID-influenced changes to the schedule. The NBA, while delayed, started at the end of the quarter and college football was activated at various points. The NHL was delayed beyond the quarter but generally represents lower-volume betting events. In total, the quarter ended very strongly, and the year-end saw very good positioning for the operational launches in Michigan and Virginia in January 2021, as well as the opening of full online registration in Iowa.

MORE GROWTH IN OTHER MARKETS

The football-focused site Squawka grew in organic searches and the launch of SquawkaBet gained traction, and leading horse racing site GG.co.uk had an excellent end to the quarter. Almost all core markets saw strong growth, in particular in Latin America, Spain and South Africa. Italy in particular stood out, led by the market-leading Superscommesse brand, which achieved a record quarter driven by strong operator demand as sports returned and land-based betting shops were closed.

GERMANY WITH CONTINUOUS CHALLENGES

The German business faced headwinds from the football schedule and in particular the introduction of the pre-regulatory tolerance period in mid-October. While sites were rapidly refreshed to ensure compliance with the new German transitional arrangements and operator demands, some smaller operators had already exited the market. In total, Sports revenues from Germany dropped by half during the fourth quarter. We expect the German market to continue to be impacted by this in the first half of 2021.



CASINO

FORGING AHEAD WITH LITTLE EFFECT FROM THE PANDEMIC

The Casino segment represented about two-thirds of total revenues in 2020 with a margin of 62 percent. Revenue grew steadily during most of the year. Despite the fact that all staff are working from home during the pandemic, all projects were delivered on time and within budgets. We made a lot of SEO improvements that are helping us rank better on Google and earn more traffic: new sitemaps, new URL structure, and new traffic generating pages. We have put much more focus on B2B initiatives, promoting white label providers (casino solution providers) and turning ourselves into a super affiliate. We're now preparing for the upcoming Core Web Vitals update in May by improving website performance.

ASKGAMBLERS DELIVERED A STRONG 2020

AskGamblers, one of Catena Media's core global brands, showed a strong finish in the fourth quarter with improvements in rankings and with increasing organic traffic and conversion rates. A great part of this accomplishment was due to the successful redesign of all main pages and sections of the website with a mobile-first approach. Since this redesign was completed our conversion rate has been steadily growing.

The successful complaint section of the AskGamblers site has thus far helped players recover over EUR 35M from over 1700 casinos, where errors were rectified. The complaint function also helps casinos improve their customer support, so it's good for everyone concerned.

The continuous improvement of the product, including its performance throughout the year, resulted in a strong year-on-year growth for the entire year, and let the team look very positively on the start of 2021. Our long-term growth objective is to have a localised version of AskGamblers present in every regulated market. We launched one additional language – Swedish – in 2020, and in 2021 we intend to focus on growing the existing localised sites – JP, DE, IT, SV, ES, PT.

US CASINO AND SOCIAL CASINO STRONG

Casino and social casino in the US started slowly in the fourth quarter as land-based entertainment venues began opening after COVID-related restrictions eased during the summer, but both remained strong and strengthened further by the end of the year as those same venues tightened back up. With the launch in Michigan in January 2021, an additional state opened up casino games, with very promising first results.

UPBEAT TREND IN JAPAN

Despite some significant month-on-month volatility, the Japanese business also showed strong organic growth in 2020 with an increase of 38 percent. The year finished with a strong fourth quarter and especially the final month of December, with an all-time high in revenue. The trend continues to be very positive and with continued investments suggests a promising 2021.

EUROPEAN CASINO CONTINUOUSLY CHALLENGED

With the exception of the Italian market, which performed better and also benefited from the closure of local betting shops under COVID-19 restrictions, most European casino brands faced continual challenges to maintain website rankings and traffic. In particular, the German market started to see considerable headwinds from the start of the pre-regulatory tolerance period in mid-October, with revenues from Germany dropping by half in the fourth quarter. We expect the German market to continue to be negatively impacted by this in the first half of 2021, with further uncertainty expected when the new German regulations come into full effect in the third quarter.

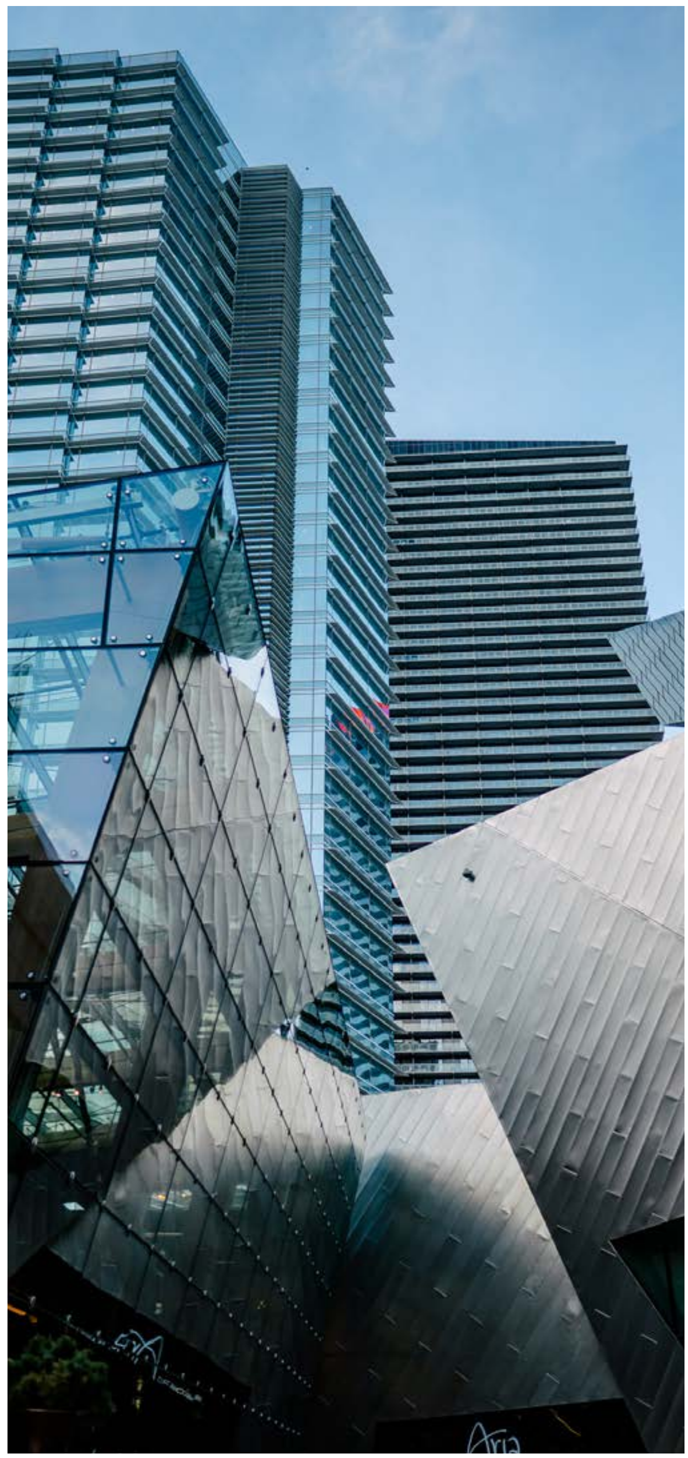
LEGACY BUSINESS UNDER TRANSFORMATION

Part of our legacy business within Casino required attention: 15% of the business showed no growth during 2020. We thus decided to put a transformation programme in place to consolidate our Casino segment, and by this we expect to increase our organisational efficiency and optimise growth potential.

FINANCIAL SERVICES

STABLE AND BROAD PORTFOLIO

For the year ended 31 December 2020, the Financial Services segment represented 5 percent of total revenues and generated a margin of 22 percent. The Financial Services segment has shown an overall stable position with slight year-over-year growth in the fourth quarter, driven by the AskTraders brand in the forex and stock trading area for new traders.



ASKTRADERS CONTINUES ITS SUCCESS

The segment ended the year with record traffic numbers, largely driven by the prime asset in the portfolio, AskTraders.com, which has performed superbly and ahead of projections. AskTraders is now the single biggest asset in the Financial Services segment. The overall strategic focus of the portfolio has been on English-speaking markets and sites, as well as on gaining and converting new stock traders.

ETHICAL TRADING AND “GREEN STOCKS” A NEW INITIATIVE

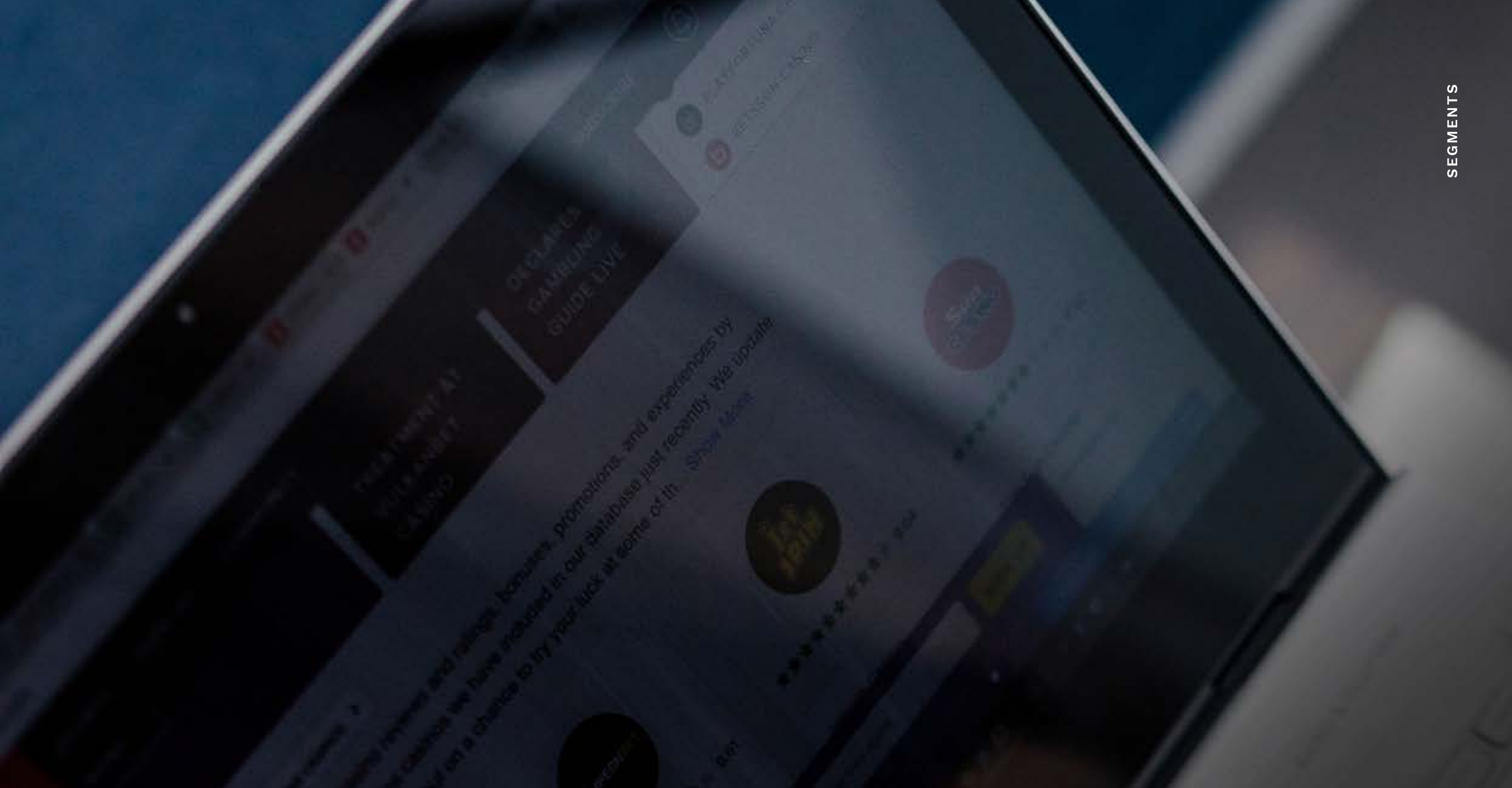
While many corporations exploit lax regulations and corrupt officials by doing business in countries where child labour or pollution are not strictly controlled, Catena Media wants to make it easy for ethically conscious traders to avoid profiting from such arrangements. A first step this year was to select stocks and ETFs from morally conscious corporations. A second step was to publish a series of online guides on our AskTraders website, to jump-start our customers' ethical trading journey.

These easy-to-understand guides define ethical trading and explain why it is so important and discuss the role of socially conscious trading. There are also separate guides dealing with environmentally friendly corporations, workers' rights, equality, and animal welfare. This material is available at https://www.asktraders.com/learn-to-trade/ethical-trading/.

This green investment portfolio has seen solid organic rankings and the plan is to build more content around this area.

DIVESTMENT OF CATENA MEDIA FINANCIALS US Inc. ("Hammerstone")

At the end of the year, the sale of the Catena Media Financials US Inc. was completed. Catena Media Financials US Inc. is a stock trading news subscription service in North America and was sold to the management team who ran that business. As a consequence, from 2021 onwards, Catena Media Financials US Inc. is no longer part of the Financial Services segment and Catena Media's business operations. Catena Media Financials US Inc. generated total revenues of EUR 1.5m in 2020.



ASKGAMBLERS HIGHLIGHTS 2020

In 2020 we have redesignated all main pages and sections of the website with a mobile-first approach, resulting in a steadily growing conversion rate has been steadily growing

The majority of users (~60%) browse AskGamblers via mobile phones. Since most AskGamblers pages were designed few years ago when usage was different (mostly desktop) we had to redesign main website pages in order to improve them and adjust them for mobile users. This was done in 2020 and has had a positive effect on our conversion rate (visit ->click).

REVENUE HAS BEEN STEADILY GROWING DURING MOST OF THE YEAR

AskGamblers has had its ups and downs when it comes to traffic during 2020, as traffic mainly went up when COVID-19 broke out (more people gambling online) and went down in May due to the Google update. However, although this affected AskGamblers revenues for most of the year, it has been steadily growing. We successfully compensated falls in traffic by putting more emphasis on fixed sales deals, and we were also stable, as a huge part of our commission comes from (long-term) revenue share deals.

LAUNCHED A “WHITE-LABEL” SECTION

White label providers are companies that provide “engines” for casinos. These are off-the-shelf solutions for new casino owners. By listing, reviewing and ranking them, AskGamblers has strengthened its position within the B2B segment.

LAUNCHING OF SEO-RELATED PAGES

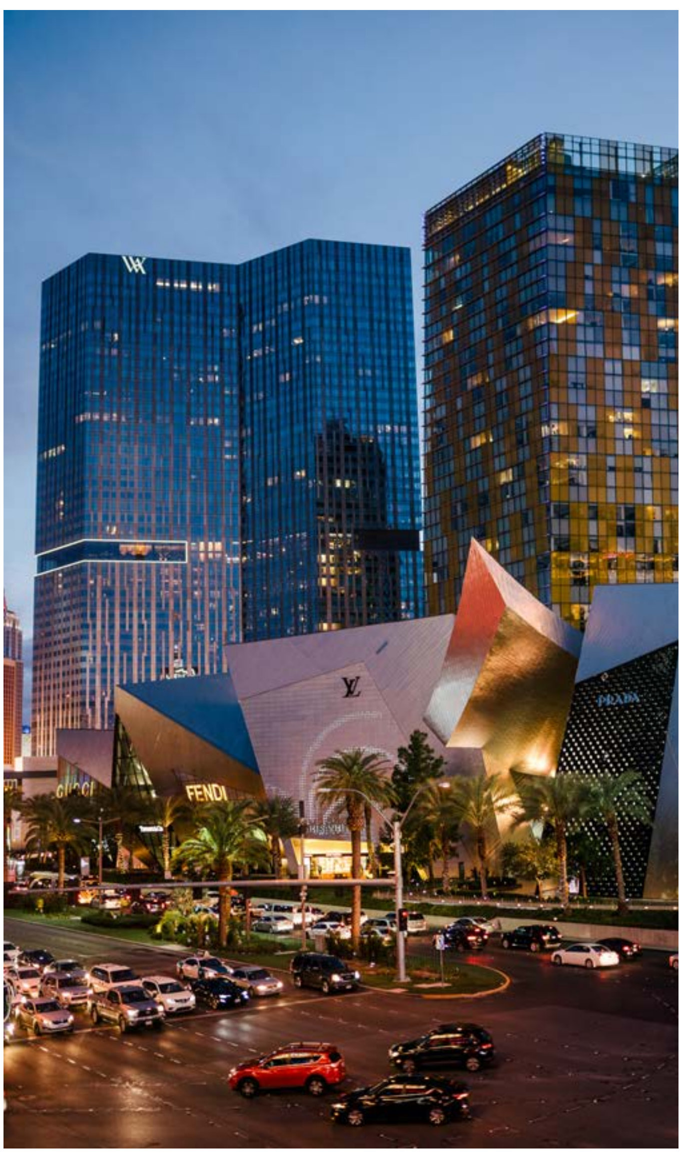
Pages such as “casinos by country”, “casinos by currency” and similar sorting topics are hugely important keywords on Google. By creating dedicated pages for these terms, AskGamblers managed to strengthen its position on Google and get more organic traffic via these pages.

ALL MAIN PROJECTS DELIVERED ON TIME AND ON BUDGET

Over the year we completed and delivered all the major plans for the year, such as redesign of the main website pages, launching of the Swedish version of the website, launching white label sections, and releasing a number of SEO-related pages. All of these projects, and more, were completed on time and within budgets.

US MARKET 2020

2020 was a year of more growth for the North American market in terms of revenue, traffic and staffing. The team focused on the biggest addressable markets – New Jersey and Pennsylvania – at the start of the year. But we turned our attention to new and future markets throughout 2020, as well as a surge for the online casino segment.



NEW ONLINE GAMBLING MARKETS OPEN UP

The rollout of online betting around the US continued with new states opening up, including online sportsbooks in Illinois, Colorado and Tennessee, and online casino in West Virginia. Catena's strong position in all those states created additional revenue.

We also spent the end of 2020 preparing for new markets in 2021, ahead of launches for Michigan online casino and sports betting and Virginia online sports betting. Iowa also opened up for online sports gambling in 2021, getting rid of in-person registration and allowing remote sign-ups, another positive for the company.

We were also able to prepare for more state launches by solidifying and expanding the "Play" brand around the US, beyond key performers like PlayNJ.com and PlayPennsylvania.com.

DEALING WITH THE PANDEMIC

Gambling affiliates in North America and around the world were obviously unsure of what the pandemic would bring. Sports betting slowed to a crawl for several months as US and Canadian sports were shuttered (although Colorado sports betting did launch in May).

With land-based casinos closing or severely limited, US consumers started turning to online gambling offerings with more regularity. We pushed hard on online casino and poker content and rankings and ended up having record results in those verticals in April and May.

By the end of summer and into the fall, the US sports scene was not quite back to normal. But the major sports, including the NFL and college football, returned to action. The outcome was a strong result across the states where Catena Media is active with online sportsbook partners.

SPORTS BETTING STAR

Heading into 2020, TheLines.com was already the biggest source of traffic for the North American network of sites. But the site grew dramatically again, even with the aforementioned slowdown in sports and sports betting.

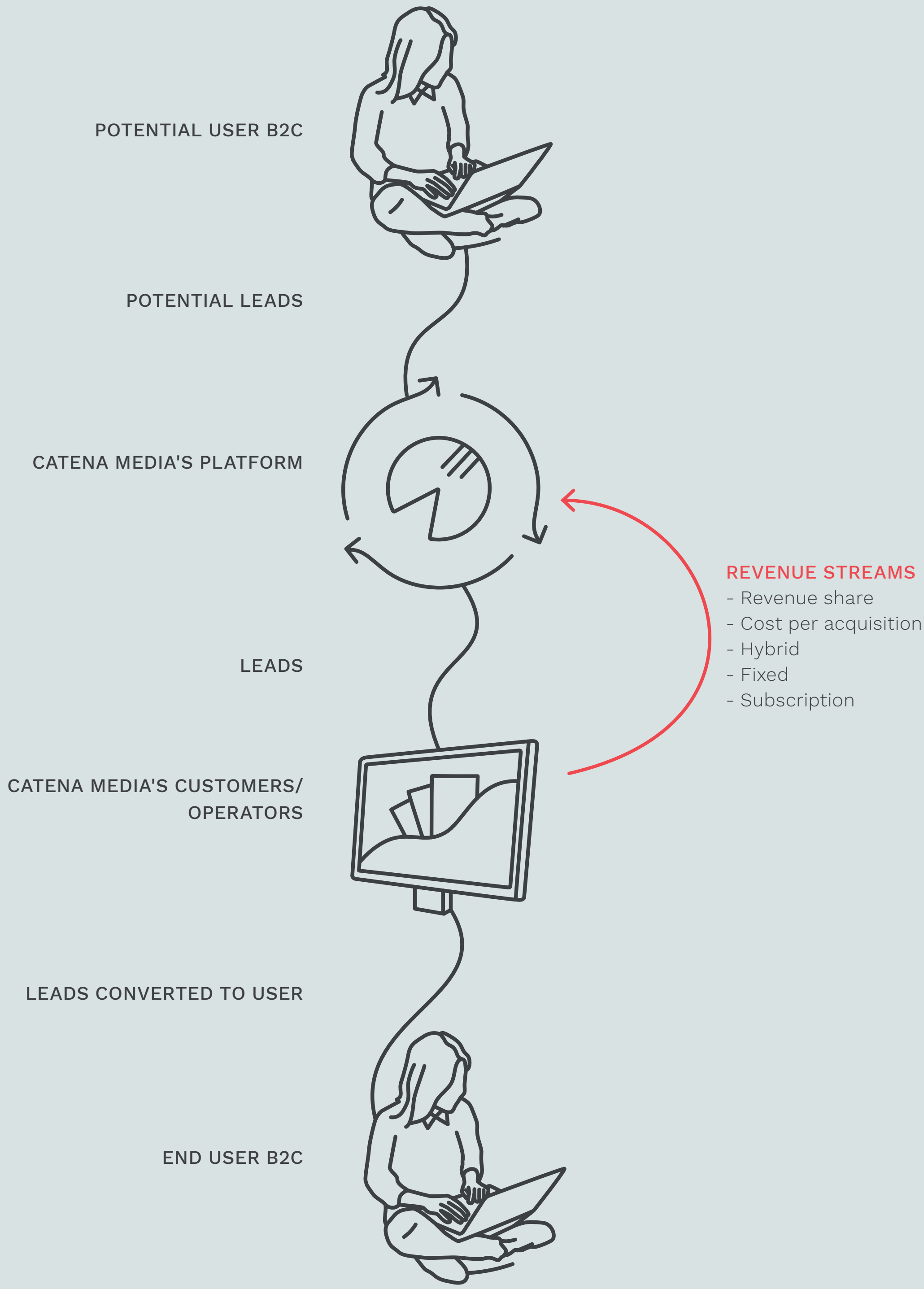
The site generated nearly 3.0m sessions in 2019, which increased to more than 5.2m in 2020. In parallel, it's become an increasingly important part of North American revenue, with an ability to generate customer acquisition on a variety of fronts. The sports team at TheLines has also been working on integration and implementation of live operator odds and AI content, which have helped both the site and the rest of the network.

Our business model

Catena Media identifies the information requirements among potential users of our customers' services. By understanding what the user is looking for, we create effective content on our websites and by using search engine optimisation and paid media, make it easy for users to find our websites.

With interesting content, in which we conduct marketing but also make relevant comparisons between products and services, many users regularly return to our websites. Our goal is to convert an interest in iGaming or conducting financial transactions online into genuine leads for our customers.

Our revenue model is mainly based on revenue sharing. This means that we receive a certain amount of net revenue that a user generates on a customer's website after Catena Media has referred the user to the customer website.



CATENA MEDIA AND SUSTAINABILITY

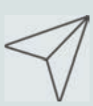
Our approach to sustainability

At Catena Media, we are constantly working to make our business model more sustainable. **We strive to create positive value for our stakeholders and our planet.** With a high sense of ethics and respect for all parties, we can achieve this. This mindset helps us to constantly look for opportunities to improve our business model and make it more sustainable. We strongly believe that it is our duty as a company to take responsibility for our environmental footprint.

OUR FOUR FOCUS AREAS

A stakeholder dialogue and a materiality analysis were conducted in 2018 that enabled us to identify four focus areas that provide the foundation for our sustainability strategy. These enable us to make the largest impact, where we can create value for employees, customers, partners, suppliers, investors, owners and society at large.

- Responsible employer
- Responsible business
- Customer responsibility
- Environmental responsibility

These focus areas will shape our ongoing sustainability efforts. As a growing company within a modern industry, we believe in assuming responsibility by contributing to the well-being and development of those around us and always promoting equality, ethics, diversity and a clean environment.

Our core values

Our core values guide our employees in their day-to-day activities and reinforce our company culture. They encourage our people to cooperate, lead, engage and learn.

LEAD BY EXAMPLE

We're all leaders. We're all grit and determined to take action. We're motivated. We're ambitious. We're accountable. There is no problem we won't tackle head-on.

ACTIVELY ENGAGED

We're approachable and available. We're active. Never afraid to speak our minds, but happy to give others airtime. We're authentic and perceptive, considerate and adaptive. We're present.

EAGER TO LEARN

We're hungry to learn. We devour information, seek new paths, expand our knowledge. We never accept "things can't change". We're curious. We're open to new ideas and we challenge our own.

OUR OPPORTUNITY:
Companies constantly need new customers

Most companies have a constant need to attract new customers. Our core enabler is continuing to master lead generation and applying our business model in a variety of industries.

OUR PURPOSE:
Help users make decisions and solve problems

Our company purpose is the essence of our existence – to help digital users make decisions and solve problems when online.

OUR STRATEGIC PILLARS

- Create excellent products
- Build outstanding relationships
- Cultivate the Catena Media culture
- Catena Media Ideapreneurship

Catena Media always acts responsibly and seeks to be transparent regarding our operations. As a growing company within a modern industry, we believe in assuming responsibility by contributing to the well-being and development of those around us and always promoting equality, ethics, diversity and a clean environment. Our main areas of focus are: Responsible Employer, Responsible Business, Customer Responsibility, and Environmental Responsibility. These areas are where we have the greatest impact on society, and will shape our ongoing efforts with sustainability.

2020 – A GLOBAL CHALLENGE FOR ALL OF US

The past seven months have seen us collaborate on a global level more than ever before and have shown how adaptable we are, both as an organisation and as a workforce, quickly shifting our teams to working remotely, in some cases literally overnight. Everything we have done throughout this difficult period – from the early (and continued) closure of our offices, to our constant communication and emergency plans, and the sustained focus on health and wellbeing – has been with our employees in mind.

Health and Wellbeing

Alongside our annual wellness benefit, we introduced twice-daily trainer-led fitness classes when Covid-19 hit. These classes have enabled our people to stay healthy and active throughout periods of lockdown – irrespective of where they are in the world, and still continue today.

Employee-first communication

We take transparency seriously, and our bi-weekly all-company video meetings have helped us stay in touch and engage with what is going on around the business. As a global company, the focus of these meetings is sharing wins and celebrating successes, and we actively learn from our wins.

We have long utilised OfficeVibe spot polls to provide us with valuable insights into the thoughts and feelings of our people. Most importantly, we encourage everyone to waive their anonymity in their responses, in order to promote two-way communication.

To get more in-depth feedback, we've asked our people to complete 'Working from home' surveys during this period. The results from these have helped us to identify common issues and actively address them.

We continue to assess the Covid-19 situation around the globe, making our decisions with our employees' health as a priority, based on data and information provided by health authorities. With this approach, we are confident that we can continue to keep our people motivated and continue delivering as a company, regardless of external factors.

ASKGAMBLERS CASINO COMPLAINT SERVICE

AskGamblers has been, from its inception, focused on users. We want our complaint service to help players solve potential disputes with online casinos. All in the spirit of our motto, "Get the truth, then play". In the third quarter, the AskGamblers Casino Complaint Service managed to recover and return to players a total of $1,084,374, with the highest amount of unfairly confiscated money retrieved in a single complaint being €30,000. In Q3, the Casino Complaint Service received 2,521 complaints and processed 564, of which nine are still ongoing, while 83 remain unresolved. During the same period, the total number of resolved complaints reached 472, which amounts to an incredible 83% of all processed complaints. Furthermore, the lifetime total of all recovered money via the Casino Complaint Service has surpassed $35 million and involved nearly 13,000 users in total.

RESPONSIBLE EMPLOYER

The last twelve months have been both challenging and engaging for everyone globally. After the first busy months of getting used to working from home and juggling family, school and work duties, by the end of the year, we were truly settled into new routines.

Our initiatives throughout this year have all had our employees' wellbeing in mind and providing some much-needed levity and mental stimulation when many of us were confined indoors, while also trying to engage us in the communities around us.

October and November are globally synonymous with bringing awareness and support to breast cancer and men's health charities.

To show our support and raise awareness for Pink October this year, we tested our employee's cake decorating skills! Employees throughout the organisation received a surprise cupcake decorating kit with baked goods and decorating supplies. For every cake decorated, the company donated 2 euros to a breast cancer charity. In total Catena Media's employees decorated and shared 387 cupcakes across the globe; including employee and company donations, we raised over 800 euros in support of breast cancer charities.

November saw many of our employees growing moustaches for the Movember campaign and donating in support of men's mental and physical health. In a year where many of us are on our own and not able to partake in our usual physical activities, we were very happy to double the 785 euros that they raised together for Movember.

Through other employee and company donations throughout the year, we have supported a total of twenty-two charities globally and donated over EUR 66,000, the largest portion of this raised through our AskGamblers Awards event and then donated to UNICEF.

We are also proud of the individual contributions of many of our employees. From making masks to preparing meals for frontline staff, our employees have shown the caring and people-centric spirit that makes up the Catena Media culture.

Alongside our annual wellness benefit, we introduced twice-daily trainer-led fitness classes when COVID-19 hit. These classes have enabled our people to stay healthy and active throughout periods of lockdown – irrespective of where they are in the world – and still continue today.

We take transparency seriously, and our bi-weekly all-company video calls have helped us to stay in touch and engaged with what is going on around the business. As a global company, the focus of these meetings is sharing wins and celebrating successes, and we actively learn from our wins.

ETHICAL TRADING A NEW FINANCIAL SERVICES INITIATIVE

At Catena Media, we view sustainability in business operations as a means to create positive value for our stakeholders and our planet. In addition to our current comprehensive approach, which addresses employees, business operations, customers and the environment, we have launched a new Financial Services initiative on AskTraders called Ethical Trading.

While many corporations exploit lax regulations and corrupt officials by doing business in countries where child labour or pollution are not strictly controlled, Catena Media wants to make it easy for ethically conscious traders and investors to avoid profiting from such arrangements. One step was to select stocks and ETFs from morally conscious corporations. A second step was to publish a series of online guides on our AskTraders website, to jump-start our customers' ethical trading journey.

These easy-to-understand guides define ethical trading and explain why it is so important, and discuss the role of socially conscious trading. There are also separate guides dealing with environmentally friendly corporations, workers' rights, equality, and animal welfare. This material is available at https://www.asktraders.com/learn-to-trade/ethical-trading/.

Board of Directors' Report

DIRECTORS' REPORT

For the year ended 31 December 2020

The Board of Directors present their annual report together with the consolidated and separate financial statements of Catena Media plc (the "Group" and the "Company"), registration number C70858, for the financial year ended 31 December 2020.

The Company has its head office and registered address at Quantum Place, Triq ix-Xatt, Ta' Xbiex, Gzira in Malta. The Group has subsidiaries in Malta, UK, Serbia, Italy, US, Canada, Australia, Japan and Sweden.

"Catena Media" or the "the Group" is used throughout this annual report when describing the Group's operations.

PRINCIPAL ACTIVITY

Catena Media's principal activity is to attract consumers through online marketing techniques, principally Search Engine Optimisation (SEO) and Pay-per-click (PPC) and subsequently seek to channel these same consumers to clients, i.e. companies with an online business within igaming and financial services. For this purpose, Catena Media owns and operates more than 30 strong online brands, i.e. websites providing consumers with valuable information about casino, sport and financial companies and their respective offers to those consumers. Catena Media is dependent on selling online traffic to clients and in return getting revenues from the operators via advertising, shared revenues or revenue for each consumer who signs up as a customer with the operator.

BUSINESS OVERVIEW

Catena Media holds a strong market position within the online casino and sports betting sector. The Group also conducts business within online financial services. Catena Media achieves economy of scale by operating the same online brands in several geographical markets. A shared technical platform enables efficiency from a production perspective as well as data collection. Analysing the quality and conversion of consumers is crucial to developing and improving website content. In 2018 Catena Media started some activities within the subscription business, where high-end content is sold within the Financial Services and Sports segments. This added a new revenue stream. The Group acquired several assets over the past years and has extensive experience integrating acquired assets in order to create synergies. The Group is well positioned for future organic growth with focus on scaling the current brand portfolio. Catena Media entered the US market at the end of 2016 by acquiring regulated affiliate assets targeting the Casino markets in New Jersey and Nevada. With additional states legalising online casino and sports betting, new growth opportunities will continue to be created for the Group

THE CURRENT FINANCIAL YEAR

During the current financial year, Catena Media did not make any further acquisitions, as the Group's strategy had changed to focus on few brands, invest in new markets and continue to focus on cost control.

MARKET DEVELOPMENT

Market data shows growth for online casino, sports and financial services. Some markets in which Catena Media operates reported strong growth in recent years and have a positive outlook. Catena Media's view is that the demand for lead generation and gambling affiliates will continue to grow because of this.

Within the fragmented affiliate market, there are only a handful of businesses that can generate a substantial number of new depositing customers (NDCs) to operators. The strongest competitors span the same geographical markets as Catena Media and there seems to be a steady trend for launches of new casino brands with their primary focus on the affiliate channel. This leaves opportunities for both geographic expansion as well as acquisitions.

Catena Media has become the largest lead generator, delivering high-value iGaming online customers. The Group has adapted to market developments and user needs and has built a scalable business model and an advanced technology platform. Catena Media has adapted the organisation for organic growth, through both expertise and resources.

REVENUES

The Group's revenues totalled EUR 106.0m (2019: 102.8) for the year, corresponding to an increase of 3 percent compared to the previous financial year. During the current financial year organic growth, excluding paid revenue and subscriptions, was 9 percent (2019: -6).

Search revenue represented EUR 95.9m (2019: 88.3) of total revenues. Paid revenue amounted to EUR 8.5m (2019: EUR 11.9). This revenue principally related to pay-per-click (PPC) traffic. Subscription revenue amounted to EUR 1.6m (2019: 2.6) of the total revenue.

The Group's operations are reported on the basis of the three operating segments, Casino, Sports and Financial Services, following a change in organisational structure implemented during the third quarter of 2019. The segments were identified in accordance with the definition of an operating segment in IFRS 8, Operating Segments. Comparative information for the first six months of 2019 is presented in a different way, as the Group's resources were previously allocated on the basis of only two reporting segments, iGaming and Financial Services, in line with the previous structure. Hence, comparative figures for the first half of the year in 2019 are presented on the basis of the previous organisational structure and operating segments. There were no intersegmental revenues during the year.

NDCs totalled 443,524 (2019: 436,706), an increase of 2 percent compared with the previous year.

EXPENSES

Total operating expenses, including items affecting comparability amounted to EUR 67.5m (2019: 108.5). In the prior year operating expenses also included an impairment on intangible assets of EUR 32.1m.

For the year ending 31 December 2020, both direct costs and other operating costs decreased when compared to the previous year and amounted to EUR 10.1m (2019: 13.6) and EUR 22.8m (2019: 25.7), respectively. The reduction in costs is primarily related to a decreased spend in pay-per-click (PPC) in the UK market, SEO and marketing costs, human resource and recruitment costs, and travel and entertainment expenses.

Personnel expenses increased to EUR 23.6m (2019: 23.0) when compared to the previous year and are mainly a result of further investment in the US market, while also considering a reversal of costs relating to share-based payments. Headcount totalled 407 employees at the close of the current financial year, compared to the 404 employees at the close of the previous financial year.

Depreciation and amortisation amounted to EUR 11.6m (2019: 14.1).

During the current year, items affecting comparability of EUR 1.9m related to credit facility and refinancing costs of EUR 1.6m, reorganisation costs of EUR 0.5m, an increase in loss allowances on trade receivables of EUR 1.6m, a gain on disposal attributable to the divestment of Catena Media Financials US Inc (Note 28) of EUR 0.5m and a reversal of costs relating to share based payments of EUR 1.2m. During the comparative year, items affecting comparability related to EUR 2.7m increase in loss allowances for trade receivables, EUR 0.1m credit facility and refinancing costs and EUR 0.3m reorganisation costs.

EARNINGS

Adjusted EBITDA increased by 20 percent and amounted to EUR 52.0m (2019: 43.5). This corresponds to an adjusted EBITDA margin of 49 percent (2019: 42). The increase in margin is a result of continued cost control as well as lower direct costs and an increased shift towards organic revenues.

EBITDA, including items affecting comparability of EUR -1.9m (2019: -3.0) increased by 24 percent and amounted to EUR 50.1m (2019: 40.5). This corresponds to an EBITDA margin of 47 percent (2019: 39).

The effective tax rate for the Group amounted to 15 percent (2019: -2), while earnings after tax (EAT) amounted to EUR 12.5m (2019: -10.5). The variance is mainly a result of the impairment on intangible assets or EUR 32.1m recognised in 2019. Earnings per share (EPS) before dilution amounted to EUR 0.20 (2019: -0.18) and after dilution to EUR 0.12 (2019: -0.17). In the corresponding year, earnings per share (EPS) was negatively impacted by the impairment of intangible assets.

CASH AND CASH FLOW

Operating activies

Cash flows from operating activities before changes in working capital amounted to EUR 51.5m (2019: 45.0) for the year. Depreciation and amortisation charges amounted to EUR 11.6m (2019: 14.1). Interest expense related to the bond and credit facilty amounted to EUR 7.4m (2019: 8.7) and the notional interest charge on contingent considerations and lease liability amounted to EUR 0.2m (2019: 1.1) and other interest charges of EUR 0.2m (2019: nil). Net losses on financial liabilities measured at fair value through profit or loss arising on the bond amounted to a loss of EUR 12.7m. During the prior year the fair value movement resulted in a gain of EUR 5.6m. During the current financial year, the reassessment of share-based payment plans resulted in a reversal of EUR 0.7m, whilst the cost for 2019 amounted to EUR 0.9m. Net cash generated from operating activities, increased by 29 percent compared to the same period of 2019 and amounted to EUR 49.0m (2019: 38.0).

Investing activities

Cash flows used in investing activities of EUR 11.4m (2019: 39.3) related to the settlement for the acquisition of intangible assets during the period. The acquisition of property, plant and equipment amounted to EUR 0.3m (2019: 0.5). During the current financial year, the company received settlement for the divestment of the subsidiary, Catena Media Financials US Inc., of EUR 1.2m.

Financing activities

Cash flows used in financing activities for the year amounted to EUR 19.6 and mainly comprised the proceeds received from hybrid capital securities of EUR 63.1m, repayment of borrowings of EUR 78.0m, proceeds from the exercise of share options of EUR 7.4m, interest payable on the bond of EUR 9.1m and lease payments of EUR 3.0m.. During the comparative year, cash flows from financing activities of EUR 1.1m comprised the proceeds received from the credit facility of EUR 12.5m, proceeds from the exercise of share options of EUR 0.3m, interest payable on the bond of EUR 8.6m. and lease payments of EUR 3.0m.

Cash and cash equivalents at the end of the year amounted to EUR 29.9m (2019: 12.3). The cash conversion rate amounted to 98 percent (2019: 94).

INVESTMENT AND FINANCING

Investments in intangible assets, which consist of player databases, websites and domains, amounted to EUR 0.2m (2019: 0.5). Costs for the development of websites and other applications amounted to EUR 4.7m (2019: 5.4).

Acquisitions of property plant and equipment amounted to EUR 0.3m (2019: 0.4).

INTEREST-BEARING DEBT AND LEVERAGE

As of 31 December 2020, Catena Media had an outstanding senior unsecured bond of EUR 94.5m, of which EUR 9.8m is owned by the Company. The revolving credit facility was settled in full. The ratio of net interest-bearing liability to adjusted EBITDA was 1.09 as of 31 December 2020 and in compliance with the maintenance covenants. The long-term financial leverage target set by the Board of Catena Media is to operate within the ratio of 0-1.75x. The measures described are key steps in the alignment of the Company's capital structure and strategic development, and will significantly improve the Company's position with regards to future, long-term debt financing.

With the existing outstanding bonds having an expiry date on 2 March 2022, which is less than 12 months from the time this report is published, the Company has started a project for refinancing. Market conditions for debt financing look continuously favourable and the Company also has had promising talks in relation to a part bank financing. The plan is to conclude the refinancing during spring 2021.

SHAREHOLDERS' EQUITY

As at 31 December 2020, shareholders' equity including hybrid capital securities amounted to EUR 240.1 m (2019: 147.0), which corresponds to EUR 3.76 (2019: 2.55) per share. Excluding hybrid capital securities, equity amounted to EUR 187.8m (147.0).

The Company has issued hybrid capital securities to a total nominal amount of EUR 65.7m, excluding issuance related costs. The hybrid capital securities have been issued as perpetual subordinated debentures, each for the nominal amount of SEK 100, accrediting them 100 percent equity treatment according to International Financial Reporting Standards (IFRS). The Company may redeem the hybrid capital securities in full on the first call date, which falls 5 years after the Issue Date (10 July 2020). Interest on the hybrid capital securities is paid at a floating rate of STIBOR 3 months plus eight (8) percent per annum (to be paid quarterly in arrears). If the hybrid capital securities are not redeemed on the first call date, interest will be increased to STIBOR 3 months plus 11 percent per annum during the first year, and then increased by 1 percentage point per annum each year the hybrid capital securities are still outstanding. The Company may, at any time and at its sole discretion, elect to defer any interest payment, in whole or in part, which is otherwise scheduled to be paid on an interest payment-date (except on any interest payment date on which the hybrid capital securities are to be redeemed) by giving notice of such election in accordance with Terms and Conditions of the hybrid capital securities. Following the two periods to subscribe for shares in the Company during July and August, the outstanding nominal value of the hybrid capital securites as at 31 December amounted to EUR 60.9m. Following November's subscription period the respective shares were issued on 29 January 2021.

SIGNIFICANT EVENTS IN 2020

First quarter

- Catena Media (CTM) deepens the relationship with sellers of the US assets after the earn-out period secures competence in the US market.
- CTM takes the lead in sustainable gambling with review site focusing on sustainable online casinos.
- CTM resolves upon a directed share issue as payment of 70% of the final purchase price for the US assets acquired in December 2016.
- Notification of major holdings in CTM plc.
- CTM foresees lower operating profit for Q4 2019 due to impairment of intangible assets, adoption of IFRS 9 accounting assumptions and an exceptional revenue adjustment in the US.
- Increased number of shares and votes in CTM plc, 28 February.
- Notification of major holdings in CTM plc.
- CTM appoints Peter Messner as new Group CFO, employment to commence from 1 April 2020.
- Notification of major holdings in CTM plc.
- Trading update on the basis of COVID-19 and subsequent changed market conditions.
- The Nomination Committee's proposal of Catena Media's Board of Directors at the Annual General Meeting 2020.
- Notification of major holdings in CTM plc.

Second quarter

- Catena Media decides upon fully guaranteed rights issue of units of SEK 684 million and initiates procedure to amend the terms of its senior unsecured bond loan.
- Notice of Extraordinary General Meeting of CTM plc., 17 April.
- CTM plc. initiates a Written Procedure of its senior outstanding bond loan 2018/2021.
- Strong profit in Q1 2020 reported, Covid-19 impact, and ongoing refinancing.
- Consent received from bondholders to amend the terms and conditions for CTM's senior unsecured bonds 2018/2021.
- CTM appoints Göran Blomberg as new Chairman of the Board of Directors during AGM held on 15 May.
- CTM intends to call extraordinary general meeting for approval of an amendment to the articles of association not passed during AGM, due to quorum requirements in Malta.
- Notice of Extraordinary General Meeting of CTM plc., 15 May.
- Interim report January – March 2020. Strong performance despite COVID-19, 20 May.
- Notification of major holdings in CTM plc.
- CTM publishes prospectus relating to the rights issue, 11 June.
- Outcome of CTM's fully guaranteed rights issue of units oversubscribed, fulfilment of condition under written procedure and record date for amortisation.

Third quarter

- First day of trading in CTM's warrants and capital securities, and first day to exercise warrants for subscription of shares, 10 July.
- Record in revenues and profits – Trading update for the second quarter 2020.
- First day to exercise CTM's warrants (CTM TO1) for subscription of new shares during the second exercise period, 20 August.
- New number of shares and votes in CTM plc.
- CTM announces the outcome of the exercise of warrants during post Q2 report subscription period, 1 September.
- Increased number of shares and votes in CTM plc., 30 September.

Fourth quarter

- CTM Nomination Committee 2021 AGM appointed.
- CTM makes a voluntary partial prepayment of its Outstanding Bonds, 13 November.
- Interim report January – September 2020 issued with updated financial targets and reviewed strategic direction, 19 November.
- First day to exercise CTMs warrants (CTM TO1) for subscription of new shares during the third exercise period, 20 November.
- CTM announces the outcome of the exercise of warrants during post Q3 report subscription period, 30 November.
- CTM repurchases bonds of a total nominal amount of EUR 7,497,000, 14 December.
- CTM repurchases bonds of a total nominal amount of EUR 2,268,000, 23 December.

EMPLOYEES

As of 31 December 2020, the Group had a total of 407 (2019: 404) employees, of whom 144 (2019: 132) were women and 263 (2019: 272) men. Expressed as percentages, women represented 35 percent (2019: 33) of the total number of employees, while men represented 65 percent (2019: 67). Of the total number of employees, 404 (2019: 400) are employed full-time and 3 (2019: 4) are employed part-time.

FINANCIAL TARGETS FOR THE PERIOD 2021-2025

Catena Media has two main financial targets. The first is to reach profitable double-digit growth (organic) annually over the period, with the US being the core growth driver. The second relates to leverage, with the goal of operating within a net interest-bearing debt/adjusted EBITDA of 0-1.75x.

PARENT COMPANY

Catena Media plc is the ultimate holding company of the Group, (hereinafter referred to as the "Parent Company") and was incorporated in Malta on 29 May 2015 with the sole purpose of receiving dividend income from the main operating companies, Catena Operations Limited and Catena Financial Limited.

During the year ended 31 December 2020 and 2019 no dividends were received from subsidiaries. Credit facility and refinancing costs for the year ended 31 December 2020 amounted to EUR 1.1m (2019: 0.03). Bond and credit facility finance costs, classified as "Interest payable on borrowings," amounted to EUR 7.5m (2019: 8.7) during the year. The fair value movement on the bond for the current financial year resulted in a loss of EUR 13.2m, while a gain of EUR 5.6m was reported in the comparitive year. The fair value loss for the year ended 31 December 2020 also included a hedging premium fee incurred in relation to a fair value hedge, which amounted to EUR 0.4m (2019: nil). The fair value movement is classified in "Other (losses)/ gains on financial liability at fair value through profit or loss".

During the year ended 31 December 2020, personnel expenses amounted to EUR 0.5m (2019: 1.0), while operating expenses amounted to EUR 0.2m (2019: 0.2). The loss for the twelve months ended 31 December 2020 amounted to EUR 14.4m. EUR 4.5m was recognised as profit for the financial year ended 31 December 2019. The loss suffered during the year ended 31 December 2020 was a result of the unrealised fair value loss on the financial liability.

The Parent Company's cash and cash equivalents amounted to EUR 7.7m (2019: 0.1), while borrowings comprising the bond at fair value through profit or loss, amounted to EUR 85.7m (2019: 151.0). Equity amounted to EUR 158.0m (2019: 91.6) at the end of the year.

OTHER GROUP COMPANIES

Catena Operations Limited

Profit before tax amounted to EUR 19.6m, while profit after tax amounted to EUR 12.6m. During the comparative period, the company reported loss before tax of EUR 18.6, with loss after tax amounted of EUR 13.0m. Net equity at year end amounted to EUR 302.2m (2019: 32.5). Subsequent to year end, no dividend was distributed to Catena Media plc.

Catena Financial Limited

Profit before tax amounted to EUR 0.03m, while profit after tax amounted to EUR 0.03m. Net equity at year end amounted to EUR 3.5m. In the corresponding period, loss before tax amounted to EUR 0.3m, while loss after tax amounted to EUR 0.1m. Net deficiency at year end amounted to EUR 0.1m.

Catena Media Financials UK Limited

As of 30 April 2020, the company was liquidated. Profit before tax amounted to EUR 0.02m (2019: 0.1). Profit after tax amounted to EUR 0.02m (2019: EUR 0.1). Net equity as at the date of liquidation amounted to EUR 0.1m (2019: 0.1).

Molgan Limited

As at 1 Jan 2019, Molgan Limited merged with Catena Operations Limited.

Catena Media UK Limited

Profit before tax amounted to EUR 0.9m (2019: 0.9). Profit after tax amounted to EUR 1.1m (2019: 0.7). Net equity at year end amounted to EUR 6.0m (2019: 5.3).

Catena Media doo Beograd

Profit before tax amounted to EUR 0.4m (2019: 0.3). Profit after tax for the year amounted to EUR 0.3m (2019: 0.3). Net equity at year end amounted to EUR 1.0m (2019: 0.7).

Catena Media US Inc

Profit before tax amounted to EUR 0.6m (2019: 0.4). Profit after tax for the year amounted to EUR 0.4m (2019: 0.3). Net equity at year end amounted to EUR 0.8m (2019: 0.5).

Catena Australia PTY Limited

Profit before tax amounted to EUR 0.01m (2019: 0.01). Profit after tax for the year amounted to EUR 0.01 (2019: 0.003). Net equity at year end amounted to EUR 0.02m (2019: EUR 0.01).

Catena Media K.K

Profit before tax amounted to EUR 0.1m (2019: 0.08). Profit after tax for the year amounted to EUR 0.1m (2019: 0.1). Net equity at year end amounted to EUR 0.1m (2019: 0.1).

Catena Media Sverige AB

Loss before tax amounted to EUR 0.03m, while profit after tax amounted to EUR 0.01m. During the corresponding period in prior year, profit before tax amounted to EUR 0.2m, while profit after tax amounted to EUR 0.1m. Net equity at year end amounted to EUR 0.4m (2019: 0.4).

Catena Media Financials US Ltd

As at 23 December 2020, Catena Media disposed of the subisidiary. During the year, up to the date of disposal, profit before tax amounted to EUR 0.4m (2019: 0.3m), while profit after tax amounted to EUR 0.3m (2019: EUR 0.2m). Net equity as at 31 December 2019 amounted to EUR 0.3m.

Catena Media Italia S.r.l. (formerly known as, ASAP Italia S.r.l.)

Profit before tax amounted to EUR 2.6m (2019: 2.0). Profit after tax for the year amounted to EUR 1.5m (2019: 1.4). Net equity at year end amounted to EUR 4.0m (2019: 2.5).

Catena Media Canada Ltd

On 28 November 2019, the company was incorporated and became a subsidiary within the Group. During 2019, no operations were carried out. For the year ended 31 December 2020, profit before tax amounted to EUR 0.1m, while profit after tax amounted to EUR 0.1m. Net equity at year end amounted to EUR 0.1m.

SIGNIFICANT RISKS AND UNCERTAINTIES

Although the Group does not conduct any online gambling operations, the Group is dependent on the online gambling industry, which comprises the majority of its customers.

The laws and regulations surrounding the online gambling industry are complex, constantly evolving and in some cases also subject to uncertainty, and in many countries online gambling is prohibited and/or restricted. If enforcement or other regulatory actions are brought against any of the online gambling operators (which are also the Group's current or future customers) within longstanding or emerging markets, the Group's revenue streams from such customers may be adversely affected. Furthermore, the concerned authority may also claim that the same or similar actions should be brought against any third party that has promoted the business of such online gambling operators, including the Group. Accordingly, any such event, including future changes to laws and regulations, could have a material adverse effect on the Group's business, financial condition and the results of its operations. To manage this risk, the Group is active in regulated and unregulated markets and Catena Media's customer base is highly diverse. From a revenue perspective, the Group´s revenue from emerging markets currently constitutes a small part of total revenue and the risk is therefore considered to be low.

Another risk faced by the Group relates to its reliance on customers when determining the fees to be invoiced to them. Once a player directed by the Group has registered with one of its customers, the Group has no direct insight into the activities of that player. Although the Group may request access to the net revenue calculations upon which the Group's fees are determined, there remains a risk of miscalculation, including fraudulent or negligent calculations made by its customers, or as a result of human error.

If such miscalculations occur without being detected and subsequently remedied or retroactively adjusted, the Group could receive a lower fee than it is entitled to under its customer agreements, which in turn would result in less revenue. Accordingly, any such miscalculation could have an adverse effect on the Group's business, financial condition and results of operations.

The regulatory frameworks in the markets where Catena Media operates are constantly changing and could impose risks to the business. To manage and mitigate these risks Catena Media has implemented a risk assessment process where these risks are identified, evaluated and mitigation strategies are proposed.

A risk assessment has for example been carried out and been approved by the Board for the Japanese operations. Other jurisdictions where regulatory changes will enter into force during 2021 are Germany and the Netherlands. The regulatory risks emanating from these markets are continuously monitored and assessed by Catena Media's Legal and Compliance Department.

In addition to the above, the Directors also consider the following risks as being relevant to the Group:

- Compliance risk, being the risk relating to regulation that could result in restrictions in our customers' operations and risks associated with unregulated markets.
- Credit risk, being the risk that customers do not pay for the services rendered.
- Market risk, being the risk arising from adverse movement in foreign exchange rates and interest rates.
- Liquidity risk, being the risk of difficulties in obtaining funding to meet the Group's obligations when they fall due.
- Operational risk, being the risk that the Group loses its ability to maintain efficient SEO and PPC capabilities.

Further details on financial risks can be found in note 3 of this Annual Report.

LEGAL DISPUTES AND PROCEEDINGS

This type of risk refers to the costs that may be incurred by Catena Media for pursuing legal proceedings, as well as costs of third parties. During the year, Catena Media was not involved in any disputes that have affected or will affect the Group's position in a material manner.

REMUNERATION TO SENIOR EXECUTIVES

The Board's proposed guidelines for remuneration of senior executives for 2020 essentially mean that salaries and other terms of employment for management will be at market levels. In addition to the fixed base salary, management can also receive variable remuneration and bonuses, which are to have a predetermined ceiling and are to be based on results achieved relative to established targets or other key performance indicators.

An amount is to be set annually for the total cost for fixed and variable remuneration. This amount must include all the Group's remuneration costs. If employment is terminated by the Group, senior executives may be entitled to severance pay, in which case this shall have a predetermined ceiling. No severance pay is payable if employment is terminated by the employee. The Board has the right to deviate from the guidelines if there are particular reasons in individual cases.

SHARES AND OWNERSHIP STRUCTURE

The ownership structure of Catena Media plc on 31 December 2020 included the following major shareholders; Second Swedish National Pension Fund owning 8.9%, Investment AB Öresund owning 7.6%, Ruane, Cunniff & Goldfarb owning 7.3%, Avanza Pension owning 6.4%, Deka Investments owning 4.0%, Nordnet Pensionsförsäkring owning 2.8%, Third Swedish National Pension Fund owning 2.6%, ICA-handlarnas Förbund owning 1.5%, Roundhill Investments owning 1.4%, OceanView Marketing owning 1.3% of the issued shares.

FUNDING

In March 2018, Catena Media issued senior unsecured bonds of EUR 150m that mature on 2 March 2021. The terms and conditions were amended on 29 June 2020 and the maturity was extended until 2 March 2022. Pursuant to the amended terms and conditions, the bonds shall be secured by a pledge of all outstanding shares in Catena Operations Ltd and Catena Financials Ltd from 31 January 2021. The bond carries a floating rate of Euribor 3m +5.50 percent, with Euribor 3m being subject to a floor of 0 percent. Following the amended terms, the Company made a EUR 49.5m mandatory partial prepayment on 16 July 2020. This prepayment was made in relation to all outstanding bonds by way of reducing the nominal amount of each bond pro rata by EUR 33,000 per bond, in aggregate EUR49.5m. The Company also made an additional voluntary prepayment on 2 December 2020. A total of EUR 4,000 per bond, at a call option price of 101.375 percent, was prepaid. The Company announced an additional voluntary prepayment on 2 March 2021. A total of EUR 4,000 per bond, at a call option price of 101.375 percent, will be prepaid

On 14 December 2020, Catena Media announced a repurchase of bonds of a total nominal amount of EUR 7.5m, consisting of 60 units purchased at a premium of 101.375 percent, 19 units purchased at a premium of 101.75 percent and 40 units purchased at a premium of 101.8 percent. On 23 December 2020 Catena Media announced a further repurchase of bonds of a total nominal amount of EUR 2.3m consisting of 36 units purchased at a premium of 101.8 percent. Following the repurchases, Catena Media's holding of outstanding bonds amounted to a total nominal value of EUR 9.8m at 31 December 2020.

Furthermore, a multicurrency revolving credit facility (RCF) was entered into with Swedbank AB (publ) in September 2018, which (as amended) provided available credit of EUR 12.5m, of which the full amount had been utilised. The Company repaid EUR 5.0m on 29 September 2020, reducing the facility to EUR 7.5m, and has settled the remaining outstanding amount by 31 December 2020. The RCF carried a floating rate of Euribor 3m +2.50 percent, with Euribor 3m being subject to a floor of 0 percent. In June 2020, Catena Media issued hybrid capital securities for a nominal amount of EUR 65.7m, where the Company may redeem all (but not some) of the hybrid capital securities in full on 10 July 2025, or on any interest payment date thereafter, at a price per hybrid capital security of 100 percent of the nominal amount. The hybrid capital securities carry a floating rate of Stibor 3m + 8.00 percent per annum.

RIGHTS ISSUE

On 17 April 2020, the Company announced that the Board of Directors of Catena Media plc proposed that an Extraordinary General Meeting be held to decide on a fully guaranteed rights issue of Units consisting of hybrid capital securities, accredited 100 percent equity treatment according to International Financial Reporting Standards (IFRS), and warrants with preferential rights for the Company's existing shareholders (the "Rights Issue"). On 10 June 2020, the EGM resolved to carry out the Rights Issue. The subscription price in the Rights Issue was set to SEK 100 per Unit.

On 29 June 2020, the Company announced that the Rights Issue had been oversubscribed, that a condition under the written procedure for the amendment of the terms and conditions of the existing bonds had thus been fulfilled, and that the EUR 49.5m mandatory partial prepayment of the outstanding bonds would be carried out on 16 July 2020. The final outcome of the Rights Issue was a total subscription of approximately 117 percent, of which 86.7 percent or approximately SEK 593.0m was subscribed for with unit subscription rights, 28.6 percent or approximately SEK 196.0m was subscribed for without unit subscription rights, and 1.7 percent or approximately SEK 11.5m was allotted to members of the Company's board of directors in excess of units subscribed with exercise of unit subscription rights.

On 10 July 2020, the Company announced that the first period to subscribe for shares in the Company by exercise of warrants had commenced. The subscription period ran from the 10 July to 19 July 2020. In total, 5,124,004 Warrants, comprising approximately 11.1 percent of all outstanding Warrants, were used to subscribe for the same number of new ordinary shares in the Company. Payment for the new ordinary shares has been made in cash with a total amount of approximately SEK 72.3m and by set-off of the Company's hybrid capital securities to a total amount of approximately SEK 24.5m.

On 20 August 2020, the Company announced that the second period to subscribe for shares in the Company had commenced. The subscription period ran from the 20 August to 29 August. During the subscription period a total of 1,596,668 Warrants were used to subscribe for 1,596,668 ordinary shares in the Company. 161,752 subscribed shares have been paid in cash and 1,434,916 subscribed shares have been paid by setting off the nominal amount of 261,828 hybrid capital securities (each with a nominal amount of SEK 100.0), meaning that a total nominal amount of SEK 26.2m of the Company's hybrid capital securities have been used for set-off purposes.

On 20 November 2020, the Company announced that the third period to subscribe for shares in the Company had commenced. The subscription period ran from 20 November to 29 November 2020. In total, 2,102,732 warrants were used to subscribe for the same number of ordinary shares in the Company. Payment for the new ordinary shares was received in cash in January 2021, with a total of SEK 4.0m and approximately SEK 35.7m were set off against the Company's hybrid capital securities. The shares were issued on 29 January 2021.

At the end of the fourth quarter 2020, hybrid capital securities having a nominal value of EUR 60.9m net of EUR 8.5m issuance costs were reported as hybrid capital securities in the Company's balance sheet. Further information about the Rights Issue is available at the Company's website, www.catenamedia.com/investors/.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held at 10 am on 12 May 2021, at the company's headquarters at Quantum Place, Trix ix-Xatt, Ta' Xbiex, Gzira, GZR 1052, Malta with the possibility to vote from Sweden.

PROPOSAL TO AUTHORISE THE COMPANY TO ACQUIRE ITS OWN SHARES

The Board has proposed that the Annual General Meeting 2021 adopts a resolution allowing the Company to purchase its own shares to provide flexibility as regards the Company's possibilities to distribute capital to its shareholders and to promote more efficient capital usage in the Company. The authorization entails that the Company may acquire its own shares at one or several occasions until the Annual General Meeting 2022 pursuant to article 4 of the Company´s Articles of Association and in terms of section 106 of the Companies Act. The authorization is further subject to the following terms and conditions, (i) any acquisition of own shares shall take place exclusively on Nasdaq Stockholm, (ii) the authorization granted is given for a maximum period of eighteen (18) months from the date thereof, (iii) that the repurchased shares do not exceed ten (10) per cent of the Company´s total issued share capital and that the Company, in no event, repurchases more than 7,039,215 shares in the Company, (iv) the purchase price of the shares follows the pricing conditions set out in the authorization. Further, the authorization allows the Board to cancel any of the shares acquired and thereby reduce the share capital of the Company, and transfer, dispose and/or use the shares acquired for any purpose as it deems fit.

For more information regarding the proposal, please read the press release published 12 March 2021. https://www.catenamedia.com/release/notice-of-annual-general-meeting-2021-of-catena-media-plc/

DIVIDEND

According to the restrictions in the terms and conditions of the existing senior (un)secured bonds, dividends for ordinary shares are currently not allowed. The Company intends to refinance the existing senior (un)secured bonds during the first half of 2021, which will make it possible to pay dividends from the second half of 2021. There was no dividend paid for the financial period 1 January to 31 December 2020.

PROPOSED ALLOCATION OF THE COMPANY'S PROFITS

Retained earnings of EUR 74.6m available to the Annual General Meeting are carried forward.

BOARD OF DIRECTORS

The Board of Directors consists of:

- Kathryn Moore Baker (resigned on 15 May 2020)
- Mats Alders (resigned on 15 May 2020)
- Cecilia Qvist (resigned on 15 May 2020)
- Öystein Engebretsen
- Theodore Bergqvist
- Per Widerstrom
- Goran Blomberg (Chairman)
- Marcus Lindqvist (appointed on 15 May 2020)
- Adam Krejcik (appointed on 15 May 2020)

The Group's Interim Head of Legal, Jan Tjernell, is the company Secretary and also serves as the Board Secretary. He has been appointed on 17 February 2021 following the resignation of Louise Wendel on the same date.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are required by the Companies Act (Cap. 386) to prepare financial statements that give a true and fair view of the state of affairs of the Group and the parent Company per the end of each reporting period and of the profit or loss of that period.

In preparing the financial statements, the directors are responsible for:

- Ensuring that the financial statements are drawn up in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU.
- Selecting and applying appropriate accounting policies.
- Making accounting estimates that are reasonable in the circumstances.
- Ensuring that the financial statements are prepared on the going concern basis, unless it is inappropriate to presume that the Group and the parent Company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Group and the parent Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Catena Media plc for the year ended 31 December 2020 are included in the Annual Report 2020, which is published in printed form and may be made available on the Company's website. The directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the control over, and the security of the website. Access to the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from the requirements or practice in Malta.

AUDITORS

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the Annual General Meeting.

Risk factors

The purpose of Catena Media's risk management processes is to execute the business strategy while maintaining a high level of risk awareness and control. The Board of Directors has approved the risk procedures framework, which includes internal risk control assessments to be carried out on a monthly, quarterly or annual basis, depending on the risk level and business area. This will create and uphold confidence in the company among the Group's stakeholders, thereby creating an environment that is conducive to achieving sustainable shareholder value.

The Board has oversight for risk management with a focus on the most significant risks facing the Group, which comprise strategic, operational, financial, legal and compliance risks.

The Group's risk control reporting processes assist the Board and the CEO in continuously evaluating identified risks.

The Group's risk appetite is determined by the Board and controlled through risk reporting and risk procedures. By weighing potential returns against potential risks in the business plan, the Board can decide on an appropriate risk and return level for the Group's risk appetite. Throughout the year, the Board and the sub-committees, to which it has delegated responsibility, review and discuss specific risk topics by reference to the nature of the risks and their potential impact on the Group. The Board also considers how identified risks shall be monitored and controlled.

RISK TYPE	RISK PROFILE	RISK MANAGEMENT
COMPLIANCE RISK Risk relating to regulation that could result in restrictions in our customers' operations.	Compliance risk arises as a result of Catena Media's customers operating in markets that may become regulated, or are unlicensed.	The majority of Catena Media's customers are operators in the online Casino, Sports or Financial services industries and the Group is accordingly subject to risks relating to the introduction of new regulations or changes to existing regulations in relevant markets that might effect the underlying asset value. The majority of Catena Media's revenues are derived from regulated markets, and a smaller part from unregulated markets. The customer base is sufficiently diverse to mitigate this risk.
CREDIT RISK Risk of a financial loss if a counterparty to a financial instrument fails to meet its contractual obligations.	Credit risk arises principally from outstanding receivables due by the Group's customers and cash and cash equivalents.	Credit risk is regularly monitored by the Finance team, with a dedicated Accounts Receivable and Debt Collections team. The Group assesses the credit quality of its customers, taking into account financial position, past experience and other factors. Credit limits and exposures are managed actively and in a practical manner. Cash and cash equivalents are held both with a leading local financial institution and other financial institutions based outside Malta. This spread reduces dependency on any single financial institution.
MARKET RISK Risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's income.	The Group operates internationally and is exposed to currency risk on revenue, expenses and bank balances that are denominated in currencies other than the entity's functional currency. The Group's exposure to cash flow interest rate risks arises mainly from the bond issued at variable rates.	Foreign exchange risk and exposure to currency fluctuations have not had a material impact on the Group's business, financial condition or results of operations. There is a natural hedge as most customers are billed in EUR or other larger currencies, including GBP and USD. Smaller ones, including Bitcoin, AUD, YEN, NOK and SEK, amount to approximately 1% of the turnover. The bond was issued in EUR and most of the costs are in EUR and GBP. The Group regularly monitors its cash flow interest rate risk and does not consider it not to be significant in the context of the profits generated from ongoing operations.

RISK TYPE	RISK PROFILE	RISK MANAGEMENT
LIQUIDITY RISK Risk of difficulties in obtaining funding and the resulting inability to meet payment obligations when they fall due.	Liquidity risk is the risk that the Group will not be able to meet its financial obligations comprising borrowings, lease liability, amounts committed on acquisition and trade and other payables	The approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management also monitors rolling forecasts for the Group's liquidity assets, which consist of cash and cash equivalents.
OPERATIONAL RISK The risk that revenues or expenses are impacted due to internal or external operational factors.	Operational risk arises from the dependency of the Group's operations on its current operational capabilities.	The business is dependent on its ability to maintain efficient Search Engine Optimisation and Pay-Per-Click capabilities. However, search engines such as Google, Bing and Yahoo! could in the future implement strategies that make it more difficult for the Group to operate. Otherwise the company has a low level of operational risk due to having no inventory nor onerous, long-term contracts with suppliers or partners.

Approved by the Board of Directors on 29 March 2021 and signed on its behalf by:

Göran Blomberg
Chairman

Öystein Engebretsen
Director

Theodore Bergquist
Director

Marcus Lindqvist
Director

Per Widerström
Director

Adam Krejcik
Director

Statements of comprehensive income – Group

EUR '000	Note	Jan – Dec 2020	Jan – Dec 2019
Revenue	5	105,991	102.817
Total revenue		**105,991**	**102,817**
Direct costs related to paid revenue	6	(10,079)	(13,610)
Personnel expenses	8	(23,604)	(23,033)
Depreciation and amortisation	15, 16, 17	(11,564)	(14,083)
Impairment on intangible assets	15	-	(32,103)
Gain on disposal of investment in subsidiary	28	519	-
Other operating expenses	10	(22,772)	(25,668)
Total operating expenses		**(67,500)**	**(108,497)**
Operating profit/(loss)		**38,491**	**(5,680)**
Interest payable on borrowings		(7,441)	(8,718)
Other (losses)/gains on financial liability and equity instruments at fair value through profit or loss		(13,190)	5,550
Other finance costs	11	(3,090)	(1,510)
Profit/(loss) before tax		**14,770**	**(10,358)**
Tax expense	12	(2,253)	(178)
Profit/(loss) for the year attributable to the equity holders of the Parent Company		**12,517**	**(10,536)**
Other comprehensive loss			
Items that may be reclassified to profit for the year			
Currency translation differences		(191)	(37)
Items that will not be reclassified to profit for the year			
Interest payable on hybrid capital securities		(1,275)	-
Total other comprehensive loss for the year		**(1,466)**	**(37)**
Total comprehensive income/(loss) attributable of the equity holders of the Parent Company		**11,051**	**(10,573)**
Earnings per share attributable to the equity holders of the Parent Company during the year (expressed in euros per share)			
Basic earnings per share			
From profit/(loss) for the year	13	0.20	(0.18)
Diluted earnings per share			
From profit/(loss) for the year	13	0.12	(0.17)

The notes on pages 38 to 59 are an integral part of these financial statements.

Statements of financial position – Group

EUR ‘000	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
Goodwill	15	7,333	7,333
Right-of-use asset	17	4,605	7,433
Other intangible assets	15	277,991	281,584
Property, plant and equipment	16	2,594	3,324
Total non-current assets		**292,523**	**299,674**
Current assets			
Trade and other receivables	19	18,393	20,553
Cash and cash equivalents	20	29,939	12,286
Total current assets		**48,332**	**32,839**
TOTAL ASSETS		**340,855**	**332,513**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	21	102	88
Share premium	21	101,177	76,666
Hybrid capital securities	27	52,362	-
Other reserves	21	11,839	6,848
Retained earnings		74,636	63,394
Total equity		**240,116**	**146,996**
Liabilities			
Non-current liabilities			
Borrowings	22	76,244	150,950
Deferred tax liabilities	24	4,582	3,589
Lease liability	17	2,504	4,688
Total non-current liabilities		**83,330**	**159,227**
Current liabilities			
Borrowings	22	9,444	-
Amounts committed on acquisition	23	-	18,068
Trade and other payables	25	7,840	7,683
Current tax liabilities		125	539
Total current liabilities		**17,409**	**26,290**
Total liabilities		**100,739**	**185,517**
TOTAL EQUITY AND LIABILITIES		**340,855**	**332,513**

The notes on pages 38 to 59 are an integral part of these financial statements.
The financial statements on pages 30 to 59 were approved and authorised for issue by the Board of Directors on 29 March 2021 and signed on its behalf by:

Göran Blomberg
Chairman of the Board

Øystein Engebretsen
Director

Statements of changes in equity – Group

EUR '000	Note	Share capital	Share premium	Hybrid capital securities	Other reserves	Retained earnings	Total equity
		Attributable to owners of the parent					
Balance at 1 January 2019		**84**	**61,770**	–	**6,063**	**73,930**	**141,847**
Comprehensive loss							
Loss for the year		–	–	–	–	(10,536)	(10,536)
Foreign currency translation movement		–	–	–	(37)	–	(37)
Total comprehensive loss for the year		**–**	**–**	**–**	**(37)**	**(10,536)**	**(10,573)**
Transactions with owners							
Issue of share capital	21	4	14,896	–	–	–	14,900
Equity-settled share-based payments		–	–	–	822	–	822
Total transactions with owners		**4**	**14,896**	**–**	**822**	**–**	**15,722**
Balance at 31 December 2019		**88**	**76,666**	**–**	**6,848**	**63,394**	**146,996**
Comprehensive income							
Profit for the year		–	–	–	–	12,517	12,517
Interest payable on hybrid capital securities		–	–	–	–	(1,275)	(1,275)
Currency translation differences		–	–	–	(191)	–	(191)
Total comprehensive income/(loss) for the year		**–**	**–**	**–**	**(191)**	**11,242**	**11,051**
Transactions with owners							
Issue of share capital	21	14	24,511	–	–	–	24,525
Issue of hybrid capital securities, net of transaction costs	27	–	–	52,362	–	–	52,362
Equity-settled share-based payments	14	–	–	–	5,182	–	5,182
Total transactions with owners		**14**	**24,511**	**52,362**	**5,182**	**–**	**82,069**
Balance at 31 December 2020		**102**	**101,177**	**52,362**	**11,839**	**74,636**	**240,116**

The notes on pages 38 to 59 are an integral part of these financial statements.

Statements of cash flows – Group

EUR '000	Note	Jan – Dec 2020	Jan – Dec 2019
Cash flows from operating activities			
Profit/(loss) before tax		14,770	(10,358)
Adjustments for:			
Depreciation and amortisation	15, 16, 17	11,564	14,083
Loss on disposal of property, plant and equipment		47	95
Gain on disposal of investment in subsidiary	28	(519)	-
Loss allowances on trade receivables		2,664	2,831
Bad debts		491	185
Impairment on intangible assets	15	-	32,103
Unrealised exchange differences	11	2,673	909
Interest expense	11, 22	7,752	9,791
Net losses/(gains) on financial liability at fair value through profit or loss	22	12,745	(5,550)
Share-based payments	14	(729)	878
		51,458	**44,967**
Taxation paid		(1,522)	(1,370)
Changes in:			
Trade and other receivables		(1,588)	(2,711)
Trade and other payables		633	(2,889)
Net cash generated from operating activities		**48,981**	**37,997**
Cash flows used in investing activities			
Acquisition of property, plant and equipment		(291)	(503)
Acquisition of intangible assets		(11,386)	(39,285)
Sale of investment in subsidiary	28	1,224	-
Net cash used in investing activities		**(10,453)**	**(39,788)**
Cash flows from financing activities			
Net proceeds from hybrid capital securities	27	63,118	-
Net proceeds on borrowings	22	-	12,500
Repayment of borrowings	22	(78,007)	-
Proceeds on exercise of share options and warrants		7,390	257
Interest paid		(9,053)	(8,594)
Lease payments		(3,026)	(3,042)
Net cash (used in)/generated from financing activities		**(19,578)**	**1,121**
Net movement in cash and cash equivalents		18,950	(670)
Cash and cash equivalents at beginning of year	20	12,286	13,161
Cash released upon disposal of subsidiary		(527)	-
Currency translation differences		(770)	(205)
Cash and cash equivalents at end of year	20	**29,939**	**12,286**

The notes on pages 38 to 59 are an integral part of these financial statements.

Statements of comprehensive income – Parent Company

EUR '000	Note	Jan – Dec 2020	Jan – Dec 2019
Personnel expenses	8	(502)	(953)
Credit facility and refinancing related costs	9	(1,086)	(30)
Recharge of credit facility and refinancing related costs to subsidiary	9	1,086	30
Other operating expenses	10	(217)	(194)
Other operating income		78	79
Total operating expenses		**(641)**	**(1,068)**
Operating loss		**(641)**	**(1,068)**
Interest payable on borrowings		(7,471)	(8,716)
Recharge of interest to subsidiary		7,471	8,716
Other (losses)/gains on financial liability and equity instruments at fair value through profit or loss		(13,190)	5,550
Other finance costs	11	(544)	(7)
(Loss)/profit before tax		**(14,375)**	**4,475**
Tax expense	12	-	-
(Loss)/profit for the year		**(14,375)**	**4,475**
Other comprehensive loss			
Items that will not be reclassified to profit for the year			
Interest payable on hybrid capital securities		(1,275)	-
Total other comprehensive (loss)/income for the period		**(15,650)**	**4,475**

The notes on pages 38 to 59 are an integral part of these financial statements.

Statements of financial position – Parent Company

EUR '000	Note	31 Dec 2020	31 Dec 2019
ASSETS			
Non-current assets			
Investment in subsidiaries	18	261,933	1,509
Current assets			
Trade and other receivables	19	21	246,441
Cash and cash equivalents	20	7,665	109
Total current assets		**7,686**	**246,550**
TOTAL ASSETS		**269,619**	**248,059**
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	21	102	88
Share premium	21	101,708	77,196
Hybrid capital securities	27	52,362	-
Other reserves	21	7,143	1,967
(Accumulated losses)/Retained earnings		(3,270)	12,380
Total equity		**158,045**	**91,631**
Liabilities			
Non-current liabilities			
Borrowings	22	76,244	150,950
Total non-current liabilities		**76,244**	**150,950**
Current liabilities			
Borrowings	22	9,444	-
Trade and other payables	25	25,886	5,478
Total current liabilities		**35,330**	**5,478**
Total liabilities		**111,574**	**156,428**
TOTAL EQUITY AND LIABILITIES		**269,619**	**248,059**

The notes on pages 38 to 59 are an integral part of these financial statements.

The financial statements on pages 30 to 59 were approved and authorised for issue by the Board of Directors on 29 March 2021 and signed on its behalf by:

Göran Blomberg
Chairman of the Board

Øystein Engebretsen
Director

Statements of changes in equity – Parent Company

		Attributable to owners of the parent					
EUR '000	**Note**	**Share capital**	**Share premium**	**Hybrid-capital securities**	**Other reserves**	**Retained earnings**	**Total equity**
Balance at 1 January 2019		**84**	**62,301**	**–**	**1,145**	**7,905**	**71,435**
Comprehensive income							
Profit for the year		–	–	–	–	4,475	4,475
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**4,475**	**4,475**
Transactions with owners							
Issue of share capital	21	4	14,895	–	–	–	14,899
Equity-settled share-based payments	14	–	–	–	822	–	822
Total transactions with owners		**4**	**14,895**	**–**	**822**	**–**	**15,721**
Balance at 31 December 2019		**88**	**77,196**	**–**	**1,967**	**12,380**	**91,631**
Comprehensive loss							
Loss for the year		–	–	–	–	(14,375)	(14,375)
Interest payable on hybrid capital securities		–	–	–	–	(1,275)	(1,275)
Total comprehensive loss for the year		**–**	**–**	**–**	**–**	**(15,650)**	**(15,650)**
Transactions with owners							
Issue of share capital	21	14	24,512	–	–	–	24,526
Issue of hybrid capital securities, net of transaction costs	27	–	–	52,362	–	–	52,362
Equity–settled share-based payments	14	–	–	–	5,176	–	5,176
Total transactions with owners		**14**	**24,512**	**52,362**	**5,176**	**–**	**82,064**
Balance at 31 December 2020		**102**	**101,708**	**52,362**	**7,143**	**(3,270)**	**158,045**

The notes on pages 38 to 59 are an integral part of these financial statements.

Statements of cash flows – Parent Company

EUR '000	Note	Jan – Dec 2020	Jan – Dec 2019
Cash flows from operating activities			
(Loss)/profit before tax		(14,375)	4,475
Adjustments for:			
Unrealised exchange differences		609	(4)
Interest expense		7,471	8,716
Net losses/(gains) on financial liability at fair value through profit or loss		12,745	(5,550)
Share-based payments		(328)	609
		6,122	**8,246**
Changes in:			
Trade and other receivables		(10)	(21)
Trade and other payables		187	420
Net cash generated from operating activities		**6,299**	**8,645**
Cash flows generated from/(used in) investing activities			
Net proceeds from/(payments on behalf of) subsidiary and related parties		18,337	(13,723)
Net cash generated from/(used in) investing activities		**18,337**	**(13,723)**
Cash flows generated from/(used in) financing activities			
Proceeds on exercise of share options and warrants		7,390	-
Net proceeds from hybrid capital securities	27	63,118	-
Net proceeds received on Issuance of share capital		-	257
Repayment of borrowings	22	(78,007)	-
Net proceed on borrowings	22	-	12,500
Interest paid		(9,053)	(8,594)
Net cash generated from financing activities		**(16,552)**	**4,163**
Net movement in cash and cash equivalents		8,084	(915)
Cash and cash equivalents at beginning of year		109	837
Currency translation differences		(528)	187
Cash and cash equivalents at end of year	20	**7,665**	**109**

The notes on pages 38 to 59 are an integral part of these financial statements.

Notes to the financial statements

1. REPORTING ENTITY

Catena Media plc (the "Company") is a limited liability company and is incorporated in Malta.

The consolidated financial statements include the financial statements of Catena Media plc and its subsidiaries (together, the "Group" or "Catena Media").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated. The Parent Company applies the same accounting principles as the Group.

Basis of preparation

The Company was incorporated on 29 May 2015 under the terms of the Maltese Companies Act (Cap. 386). The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386). They have been prepared under the historical cost convention, apart from financial liabilities which are recognised at fair value through profit and loss.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group's accounting policies (see Note 4 – Critical accounting estimates and judgments).

Following changes to internal management reporting during the third quarter of 2019, three operating segments were identified in terms of the definition of IFRS 8, namely Casino, Sports and Financial Services. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Catena Media plc, together with the chief executive officer, assesses the financial performance and position of the Group, and makes strategic decisions. Previously, all revenue generated from acquisitions and through the different marketing methodologies were being allocated to only two reporting segments, iGaming and Financial Services.

The financial statements incorporate the results of Catena Media plc and its subsidiaries Catena Operations Limited, Catena Media UK Limited, Catena Media doo Beograd, Catena Media US Inc, Catena Media Australia PTY Limited, Catena Media K.K., Catena Media Sverige AB, Catena Financial Limited, Catena Media Financials UK Ltd, Catena Media Financials US Inc, Catena Media Italia Srl (formerly Asap Italia Srl) and Catena Media Canada Ltd. On 28 November 2019 Catena Media Canada Ltd was incorporated and became a new subsidiary within the Group while Catena Media Financials UK Ltd was liquidated on 30 April 2020. Furthermore, on 23 December 2020, the Group disposed of 100% of its shares in its subsidiary Catena Media Financials US Inc.

Financing

The existing outstanding bond matures on 2 March 2022, which is less than 12 months from the time this report is published. The Company has started its refinancing program. Market conditions for debt financing appear favourable and the Company also has had promising talks in relation to a part bank financing. The plan is to conclude the refinancing during spring 2021.

COVID-19 and financial and operational performance

The majority of the Group's customers are operating in the online gambling industry (iGaming), which is affected by general economic and consumer trends outside the control of the Group or the operators. In early 2020, the outbreak of COVID-19 was confirmed and then became a pandemic. COVID-19 has caused disruption to businesses and economic activity, which has also been reflected in fluctuations in stock markets. Catena Media has closely followed the global development of COVID-19 and its potential impact on the business. Several measures have been taken to mitigate any financial or operational impact and to ensure the well-being, safety and security of employees and partners. During 2020, Catena Media experienced limited negative operational effects, and those mainly in relation to the Sports segment, and no negative long-term effects on the business are expected.

Impact on the Sports segment

By the end of the first quarter and during most of the second quarter, major sports events were put on hold and a number of events across the globe were postponed. As a consequence, iGaming operators with an offering primarily focused on sports betting faced severe losses in betting volumes. To mitigate such losses, operators started to focus on sports that had not been fully cancelled, such as horse racing, e-sports and virtual sports. However, such alternatives were not enough to compensate for the drop in betting volumes and revenue streams. Catena Media worked closely with key operators to promote those sports events that were still running. In addition, to mitigate the shortfall in Sports revenue, the focus has been to convert traffic from a number of sports-related sites to e-sports, virtual sports, and in particular Casino revenue, while holding back on low-margin media spending. Since the end of June and during the third quarter, sporting events gradually returned and the Sports business started to recover. By the end of the year, the Sports segment had recovered and returned to normal pre-COVID-19 levels.

Impact on the Casino and Financial Services segments

The first quarter started with key legacy casino brands seeing strong growth in organic traffic and in particular in the Italian and German markets. The Financial Services segment witnessed an increase in stock trading search queries globally, driven by the volatility in the markets.

During the second quarter online casinos experienced an increase in popularity as an alternative to retail and land-based offerings, such as in the US, where all 900+ land-based casinos were closed due to COVID-19 restrictions – a unique event in the history of the country. As a result, affiliate marketing has played an important role and companies such as Catena Media, with the ability to generate volumes of high-quality casino leads, experienced an increased demand during that period. In the Casino segment, both AskGamblers and the Japanese business also had their own all-time revenue highs.

During the third quarter, the Casino segment normalised back from the peak of the second quarter and that trend continued in the final quarter. The same trend could be seen for the Financial Services segment.

Potential impact on the outlook for all segments

Since the middle of the second quarter, several sports returned, leading to the gradual recovery of the Sports business, which recovered to normal pre-COVID-19 levels by year-end. The volumes for online casinos during the third quarter also normalised again from the previous peak levels and this trend continued until year-end.

Based on the information available at this time, Management believes that the COVID-19 outbreak will not have a negative long-term effect on the Group's business.

Standards, interpretations and amendments to published standards effective in 2020

In 2020, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 January 2020. These new standards have had no or very limited impact on the Group's financial position, profit or disclosures.

Standards, interpretations and amendments to published standards not yet effective

In management's opinion, there are no other standards not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods.

Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to page 42). Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Foreign currency translation

Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which each of the Group's entities operate ('the functional currency'). The consolidated and separate financial statements are presented in EUR, which is Catena Media plc's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate on the date of the transaction. Foreign exchange gains and losses are presented in the statement of comprehensive income on a net basis.

Group companies

Group companies have different functional and presentation currencies. Catena Media UK Limited and Catena Financials UK Ltd (liquidated on 30 April 2020) use the British pound sterling (GBP) as their functional and presentation currency while Catena Media doo Beograd uses Serbian dinars (RSD) as its functional and presentation currency. Catena Media US Inc. and Catena Financials US Inc. (disposed of on 23 December 2020) use the United States dollar (USD) as its functional and presentation currency. Catena Media Australia PTY Limited uses the Australian dollar (AUD) as its functional and presentation currency while Catena Media Canada Ltd uses the Canadian dollar (CAD) as its functional and presentation currency. Catena Media K.K. uses Japanese yen (JPY) as its functional and presentation currency. Catena Media Sverige AB uses the Swedish krona (SEK) as its functional and presentation currency. The results and financial position of the subsidiaries are translated as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate on the date of that statement of financial position.
- Income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated on the dates of the transactions).
- All resulting translation differences are recognised in other comprehensive income.

On consolidation, translation differences arising from the translation of any net investment in foreign entities and of borrowings, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on the sale.

Revenue

The revenue of the Company mainly arises from the dividends earned from its subsidiaries. The Group's revenue is derived from online and affiliate marketing. The Group recognises revenue as set out below.

Dividend income

Dividends are recognised in the statement of comprehensive income as other comprehensive income when the Company's right to receive payment is established.

Commission income

The Group's revenue consists of revenue generated in the form of commission on players/investors directed to operators as well as advertising fees charged to operators who want additional exposure on the Group's websites. This is applicable to casinos, sports betting and finance operators. The commission takes the form of:

Revenue share

For a revenue share deal the Group receives a share of the revenues that the operator has generated as a result of a player playing on their site. Revenue is recognised in the month that it is earned by the respective operator.

Cost per acquisition

For cost-per-acquisition deals, a client pays a one-time fee for each player who deposits money on the client's site. Cost-per-acquisition contracts consist of a pre-agreed rate with the client. Revenue from such contracts is recognised in the month in which the deposits are made.

Fixed fees

The Group also generates revenues by charging a fixed fee for operators who would like to be listed and critically reviewed on the Group's sites as well as through advertising revenue, whereby an advertising space is sold to operators who wish to promote their brands more prominently on one of the many sites the Group offers. Such revenue is apportioned on an accruals basis over the whole term of the contract.

Subscription revenue

Subscription revenue is recognised in the month to which it relates.

Interest income

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Group
- Fair value of any asset or liability resulting from a contingent consideration arrangement
- Fair value of any pre-existing equity interest in the business.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired

is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

The Company and the Group account for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain or bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The contingent consideration is measured at fair value on the date of acquisition. The amounts payable in the future are discounted to their present value as of the date of the exchange. The discount rate used is the entity's incremental borrowing rate, which is the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise subsequent changes in fair value of the contingent consideration are recognised in profit or loss and are reflected in the statement of financial position against the contingent liability recognised.

Reorganisations between Group entities

Reorganisations between Group entities under common control are accounted for using the reorganisation method of accounting. Under this method, assets and liabilities are incorporated at the predecessor carrying values, which are the carrying amounts of assets and liabilities of the acquired entity as recognised and measured in that entity's financial statements before reorganisation. No goodwill arises in reorganisation accounting, and any difference between the consideration given and the aggregate book value of the assets and liabilities of the acquired entity, is included in equity. The financial statements incorporate the acquired entity's full year results, including comparatives, as if the post-reorganisation structure was already in place at the commencement of the comparative period.

Goodwill and other intangible assets

Recognition and measurement

An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets are initially measured at cost. The cost of a separately acquired intangible asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

Where the cost of acquisition includes contingent consideration, cost is determined to be the current fair value of the contingent consideration as determined on the date of acquisition. Any subsequent changes in estimates of the likely outcome of the contingent event are reflected in the intangible asset's carrying amount of a business. The cost of acquisition of intangible assets for which the consideration comprises an issue of equity shares is calculated as the fair value of the equity instruments issued in the transaction.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired business on the date of acquisition. Goodwill on acquisitions of businesses is included in 'Intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment. The estimated useful lives are as follows for other intangible assets:

• Domains and websites	indefinite
• Player databases	6 – 38 months
• Other intellectual property	36 – 48 months

As a result of the prior year's impairment assessment, it was concluded that the domains and websites of four products were not expected to produce economic benefit over an indefinite period of time and for this reason their useful life was estimated to be eight years.

Other intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit or loss in the period of derecognition.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Intangible assets with a finite useful life are amortised over their useful life and reviewed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each year end.

Intangible assets with indefinite useful lives are not systematically amortised and are tested for impairment annually or whenever there is an indication that the other intangible asset may be impaired. The useful life of these assets is reviewed annually to determine whether their indefinite life assessment continues to be supportable. If the events and circumstances do not continue to support the assessment, the change in the useful life assessment from indefinite to finite is accounted for prospectively as a change in accounting estimate and on that date the asset is tested for impairment.

Commencing from that date, the asset is amortised systematically over its useful life. Goodwill however, is not amortised but assessed for impairment on an annual basis.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains or losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

• Computer equipment	4 years
• Furniture and fixtures	10 years
• Property improvements	5 years
• Motor vehicle	5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Impairment of non-financial assets

Non-financial assets with indefinite useful lives are reviewed at each reporting date to determine whether there is any impairment. The carrying amounts of the Group's non-financial assets with finite useful lives, as well as those with indefinite useful lives, are reviewed for impairment on an annual basis. The asset's recoverable amount is estimated annually for intangible assets with indefinite useful lives and is also estimated for all non-financial assets if an indication of impairment exists.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets and financial liabilities

Recognition, derecognition and offsetting

The Group recognises a financial asset when it becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual right to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control over the transferred asset.

The Group recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Debt securities issued by the Company have been designated by management as a financial liability at fair value through profit or loss since this financial instrument contains an embedded derivative that may significantly modify the resulting cash flows. The fair value designation, once made, is irrevocable.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. If payments of the amounts are expected within one year or less, they are classified as current liabilities. If not, they are presented as non-current liabilities.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Classification of financial assets

The Group's financial assets comprise trade and other receivables and cash and cash equivalents.

The Group classifies its financial assets at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows.
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Investments in debt instruments are classified at fair value through other comprehensive income (FVOCI) only if the contractual cash flows are solely principal and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.

All financial assets not classified as measured at amortised cost or FVOCI, as described above, are measured at fair value through profit and loss (FVTPL). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered primarily includes the stated policies and objectives for the portfolio and the operation of those policies in practice. As set out in the Directors' report, the Group's principal activity is to attract consumers through online marketing techniques, principally Search Engine Optimisation (SEO) and Pay-per-click (PPC) and subsequently seek to channel these same consumers to clients.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- Contingent events that would change the amount or timing of cash flows
- Terms that may adjust the contractual coupon rate, including variable-rate features
- Prepayment and extension features
- Terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets (other than debt instruments) at FVOCI comprise equity securities that are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

Initial and subsequent measurement of financial assets

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and cash held at financial intermediaries.

Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and debt investments measured at FVTPL to which the Group is exposed. It measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due, and it considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held), or
- The financial asset is more than 180 days past due.

The Group considers a debt security and bank balances to have low credit risk when its credit risk rating is equivalent to the globally-understood definition of 'investment grade'. The Group considers this to be BBB- or higher, per Fitch.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses.

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer
- A breach of contract, such as a default or being more than 180 days past due
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise
- The probability that the borrower will enter bankruptcy or other financial reorganisation, or
- The disappearance of an active market for a security because of financial difficulties

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety, or a portion thereof. For each of its financial assets that subject the Group to credit risk, it makes an individual assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in compliance with the Group's procedures for recovery of amounts due.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Impairment and risk exposure
When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss. Details about the Group's impairment policies and the calculation of the loss allowance, including the Group's exposure to credit risk and foreign currency risk, are provided on pages 43-48.

Classification and initial and subsequent measurement of financial liabilities
The Group classifies its financial liabilities at FVTPL if the liability includes embedded derivatives that are not closely related to the host debt instrument; other financial liabilities are measured using the amortised cost model.

The Group classifies its borrowings, comprising the Company's bond liability, as financial liabilities at fair value through profit and loss. These are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. They are subsequently measured at fair value in accordance with IFRS 9. Gains or losses on financial liabilities designated at FVTPL are required to be split into the amount of change in fair value attributable to changes in credit risk of the liability, presented in other comprehensive income, and the remaining amount presented in profit or loss.

Other financial liabilities are initially recognised at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Contingent considerations arising as a result of asset acquisitions, included in amounts committed on acquisition, are also initially recognised at fair value per the date of acquisition. The amounts payable in the future are discounted to their present value on the date of acquisition. The discount rate used is the entity's incremental borrowing rate, which is the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions. Otherwise subsequent changes in fair value of the contingent consideration are reflected in the statement of financial position by adjusting the intangible asset and the amount committed upon acquisition to reflect the present value of cash flows expected to become payable.

Trade and other payables
Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Leases
Under IFRS 16 a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group recognises a right-of-use asset and a lease liability on the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, adjusted for any lease payments made on or before the commencement date. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use asset is periodically adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid on the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Dividends declared
Final dividends are recognised when approved by the Company's shareholders and interim dividends are recognised when declared by the directors. Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, at or before the end of the reporting period but not distributed at the end of the reporting period.

Employee benefits
Termination benefits
Termination benefits are payable when an employee's position is terminated by Catena Media before the normal date of retirement, or when an employee voluntarily accepts redundancy in exchange for such benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of employees in accordance with a detailed formal plan without the possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Bonus plans
The Group recognises a liability and an expense for bonuses based on various qualitative and quantitative measures. The Group makes a provision for earned bonuses if there is a legal obligation or an informal obligation owing to previous practice.

Post-employment benefits
The Group has no obligations to employees after they have retired or their employment with the company has been terminated.

Pension expenses and pension commitments
Group payments concerning defined contribution pension plans are expensed during the period in which the employee renders the services related to the contibution.

Incentive schemes
The Group can offer employees the opportunity to participate in share-based incentive schemes in the form of stock options. Share-based incentive schemes are issued on market terms and are recognised continuously over the term of the scheme. Further details are included in the note below.

Share based payments
The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Company. Through these equity settled schemes, eligible employees are granted share options, while directors are granted share warrants.

Equity-settled share-based payment transactions are measured at the grant date fair value for employee services, which requires a valuation of the options and warrants. Once the fair value has been determined, the amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions on the vesting date.

At the end of each reporting period, the Group revises its estimates of the number of options and warrants that are expected to vest, based on the non-market vesting conditions and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options and warrants are exercised, the Company issues new shares. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium.

The grant by the Company of options over its equity instruments to the employees of Group subsidiaries is treated as a capital contribution. The fair value of employee services received, measured at the grant date fair value, is recognised over the vesting period as an increase in investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing profit attributable to equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share
Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of all dilutive potential ordinary shares.

Hybrid capital securities
Hybrid capital securities comprise: a fully guaranteed rights issue of units that qualify for equity treatment according to IFRS and warrants with preferential rights for the Company's existing shareholders. The hybrid capital securities are perpetual and have no specified maturity date, and are not redeemable at the option of the holder at any time. The subscription price for the Rights Issue was set to SEK 100.0 per Unit. Each Unit consisted of one (1) hybrid capital security and six (6) warrants.

On initial recognition the notional amount is recognised in equity net of issuance related costs. Accordingly, any interest payments are recognised directly in equity at the time the payment obligation arises. Consequently, interest payments do not have any effect on profit or loss for the year. On redemption of the hybrid capital, the payment will be recognised within equity, applying the same principles used when the hybrid capital was issued. This means that the difference between the payment on redemption and the net proceeds received on issue is recognised directly in equity. During a subscription period, warrant holders are entitled to pay for the subscribed shares by setting off all of the notional amount, including any deferred interest due to the holder by the Company under the hybrid capital securities corresponding to the subscription price for the shares. In such cases the set-off will be allocated against equity.

3. FINANCIAL RISK MANAGEMENT

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group and Company's risk management framework. The Board, together with the management of the Group and Company, are responsible for developing and monitoring the Group and Company's risk management policies.

The Group and Company's risk management policies are established to identify and analyse the risks faced by the Group and Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group and Company's activities.

The Group and Company, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Group and Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group and Company.

Financial risk factors

The Group and the Company have exposure to the following financial risks:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group and Company's exposure to each of the above risks, the Group and Company's objectives, policies and processes for measuring and managing risk, and the Group and Company's management of capital.

Credit risk
Credit risk is the risk of a financial loss to the Group and Company if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from outstanding receivables due by the Group and Company's customers and cash and cash equivalents. The Group and Company's exposure to credit risk at the end of the reporting period is analysed as follows:

	Group		Company	
EUR '000	**31 Dec 2020**	**31 Dec 2019**	**31 Dec 2020**	**31 Dec 2019**
Financial assets measured at amortised cost				
Trade and other receivables (note 19)	18,393	20,553	21	246,441
Cash and cash equivalents (note 20)	29,939	12,286	7,665	109
	48,332	**32,839**	**7,686**	**246,550**
Prepayments and other receivables not subject to risk	(2,047)	(2,140)	(21)	(12)
Net amounts exposed to credit risk	**46,285**	**30,699**	**7,665**	**246,538**

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount, as disclosed in the notes to the financial statements. The Group and Company do not hold any collateral as security in this respect.

The Group usually extends 30-day credit to customers. The Group and Company regularly monitor the credit extended to their customers and assess the credit quality of their customers, taking into account financial position, past experience and other factors. The Group and Company monitor the performance of these financial assets on a regular basis to identify incurred collection losses that are inherent in the Group and Company's receivables, taking into account historical experience in collection of accounts receivable.

The Group and Company manage credit limits and exposures actively and in a practical manner, such that past due amounts receivable from customers are within controlled parameters. The

Group's receivables, which are not impaired financial assets, are principally related to transactions with customers who have no recent history of default.

The Group assesses the risk of default by using both available quantitative factors and credit risk judgement based on experience. By adopting the simplified approach in accordance with IFRS 9, the Group uses a lifetime expected loss allowance for trade receivables and a provision rate is set based on historical data as adjusted for qualitative factors. On initial application of IFRS 9, the Group and Company did not recognise an increase in the impairment allowance. During 2019 and 2020 management continued to review the impact of the IFRS 9 expected loss model and as at 31 December 2020 the provision amounted to EUR 5.9m (2019: 3.2). Amounts written off during the year amounted to EUR 0.5m (2019: 0.2). Given that the Group has limited historical experience, the judgment is highly subjective. During the year ended 31 December 2020, management increased the loss allowance on trade receivables by a further EUR 2.7m as a result of management's IFRS 9 assessment. Management will continue to monitor the adequacy of this loss allowance.

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash. Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses. For further information refer to Note 4 and Note 19.

Cash and cash equivalents are held with a lead local financial institution and other financial institutions based outside Malta.

Credit ratings per international rating agency Fitch are as follows:

Credit rating	Carrying amounts	
EUR '000	**31 Dec 2020**	**31 Dec 2019**
A+	2,358	1,672
A	170	270
AA-	9,253	3,235
BBB	9,565	5,404
BBB-	-	429
	21,346	**11,010**

In addition, cash amounting to EUR 7.3m (2019: 0.7) is held with TTT Moneycorp Limited, for which no rating is available.

This spread reduces dependency on one financial institution as well as simultaneously mitigating country risk. Credit risk from cash held with financial intermediaries is not considered to be significant.

The Group measures credit risk and expected credit losses using probability of default, exposure at default, and loss given default. Management considers both historical analyses and forward-looking information in determining any expected credit loss. As of 31 December 2020 and 31 December 2019, cash and short-term deposits are held with several financial institutions with good credit ratings, as set out in the above table. Management considers the probability of default to be close to zero and as a result of this, no loss has been recognised based on the 12-month expected credit losses, as any such impairment would be wholly insignificant to the Group.

Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations – comprising borrowings, lease liability and trade and other payables as they fall due.

The approach to managing liquidity risk is to ensure, as far as possible, that the Group and Company will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and Company's reputations. Management also monitors rolling forecasts for the Group and Company's liquidity assets, which consist of cash and cash equivalents, on the basis of expected cash flows.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining term at the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cashflows. Balances due within twelve months equal their carrying balances.

Group

EUR '000	Less than 1 year	Between 1 and 2 years	Between 2 and 4 years	Total
At 31 December 2020				
Borrowings	14,169	79,489	-	93,658
Lease liability	2,310	2,913	-	5,223
Trade and other payables	2,028	-	-	2,028
	18,507	**82,402**	**-**	**100,909**
At 31 December 2019				
Borrowings	8,388	165,029	-	173,417
Lease liability	3,094	2,290	3,038	8,422
Amounts commited on acquisitions	18,096	-	-	18,096
Trade and other payables	5,104	-	-	5,104
	34,682	**167,319**	**3,038**	**205,039**

Company

EUR '000	Less than 1 year	Between 1 and 2 years	Between 2 and 4 years	Total
At 31 December 2020				
Borrowings	14,169	79,489	-	93,658
Trade and other payables	25,452	-	-	25,452
	39,621	**79,489**	**-**	**119,110**
At 31 December 2019				
Borrowings	8,388	165,029	-	173,417
Trade and other payables	4,804	-	-	4,804
	13,192	**165,029**	-	**178,221**

Financing

The existing outstanding bond matures on 2 March 2022, which is less than 12 months from the time this report is published. The Company has started its refinancing program. Market conditions for debt financing appear favourable and the Company also has had promising talks in relation to a part bank financing. The plan is to conclude the refinancing during spring 2021.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Group's and Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Group operates internationally and is exposed to currency risk on revenue, expenses, bank balances, borrowings and hybrid capital securities that are denominated in a currency other than the entity's functional currency, primarily the Swedish krona (SEK), Norwegian krone (NOK), United States dollar (USD), Great Britain pound (GBP), Serbian dinar (RSD), Japanese yen (JPY) and Australian dollar (AUD).

Exposure to currency risk

Historically, foreign exchange risk and exposure to currency fluctuations have not had a material impact on the Group's business, financial condition or results of operations.

The currency of the main operating entity is EUR and 50% (2019: 56%) of the Group's revenue stream is attributable to EUR, and is thus the main component of its costs. The US operation results in 38% of the Group's revenue stream to be attributable to USD, while its costs are mainly incurred in USD. In the case of the UK operation, the revenue stream is predominately receivable in EUR but its costs are mainly incurred in GBP. The Serbian operation's costs are incurred in RSD, the Australian operation in AUD and the Japanese operation in JPY. As a result, this exposes the Group to currency fluctuations between EUR and GBP, USD, RSD, AUD and JPY.

If the USD had depreciated/appreciated by 10 percent in relation to EUR, with all other variables constant, profit for the year would have been EUR 4.0m higher/lower. In making this sensitivity analysis, the exposure to currency risk on costs denominated in a foreign currency was not considered to be material since the costs of the Group are principally denominated in EUR.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to cash flow interest rate risks arises mainly from non-current borrowings at variable rates. The Group's borrowings at variable rates were mainly denominated in EUR, and comprised debt securities issued during the current and preceding financial year. The Group regularly monitors its cash flow interest rate risk and considers it not to be significant in the context of the profits generated from its ongoing operations.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period is as follows:

	Group		Company	
EUR '000	**31 Dec 2020**	**31 Dec 2019**	**31 Dec 2020**	**31 Dec 2019**
Variable rate borrowings (Note 22)	84,735	150,000	84,735	150,000

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders by optimising the debt-to-equity ratio. Strategies are expected to remain unchanged in the foreseeable future. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The capital structures of the Company and the Group consist of equity attributable to equity holders, comprising issued share capital, other reserves and retained earnings. Capital risk is monitored on a regular basis by reporting the net interest-bearing liabilities against targets set by the Board, prior periods and any covenants or other requirements set by third parties.

Fair values estimation

The different levels of fair values of financial instruments have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

Debt securities have been designated as a financial liability at fair value through profit or loss. The bond's fair value has been designated as hierarchy Level 3.

Contingent consideration arrangements relating to the purchase of intangible assets entered into by the Group are measured at fair value. These arrangements require the Group to pay variable amounts of consideration (earn-outs) in addition to the amount payable on the date of purchase. The contingent amounts payable are dependent on the revenues generated by the underlying assets and vary by contract. The fair value of the contingent consideration is included in Level 3 of the fair value hierarchy and is disclosed in note 22 of these consolidated financial statements. During the year ended 31 December 2020, there were no changes in the level of the fair value hierarchy in which the Group classified its financial instruments. As described above, the Group's financial instruments are designated as hierarchy Level 3. Furthermore, there were no transfers into or out of Level 3 measurement during the current reporting year. As at 31 December 2020, the group does not have contingent considerations.

The fair value is determined on the date of purchase and subsequently, at each reporting date, by calculating the expected cash outflow on each purchase agreement. The expected cash flows are discounted to present value by utilising a discount rate of 6.75%, the Company's previous borrowing rate. Expectations of cash outflows are made by the directors for each asset acquisition on the basis of their knowledge of the industry and how the economic environment is likely to impact it.

If a higher/lower discount rate had been used in the present value calculation, the resulting fair value of the contingent consideration would have been lower/higher. The directors are of the view, however, that a reasonable shift in the discount rate used in the calculation of the present value of future expected cash flows would not have a significant impact on the fair value of the contingent consideration.

As of 31 December 2020 and 2019, the carrying amounts of all other financial assets and liabilities reflected in the financial statements are reasonable estimates of their fair value in view of the nature of these instruments, or the relatively short period of time between the origination of the instruments and their expected realisation.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgments made in the course of preparing these financial statements are not difficult, subjective or complex to a degree that would warrant their disclosure as critical in terms of the requirements of IAS 1, except for:

Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Company. Through these equity-settled schemes, eligible employees are granted share options, while directors are being granted share warrants.

Due to the inherent uncertainty and judgment exercised in order to establish a proper estimate of the number of options expected to vest at the end of each reporting period, management considers costs relating to share-based payments as a critical accounting estimate. The number of options expected to vest at each year-end is based on non-market and service-related vesting conditions which differ from one option program to another. Part of the Group's year-end reassessment resulted in changes to original estimates, as a result of changes in the expected vesting probability associated with the 2018 and 2019 programmes. Non-market conditions included the achievement of performance-related targets at or above certain percentage thresholds, such as, the Group's average annual organic growth during a particular financial period. The Group also assessed the expected likelihood of forfeitures tied to the required service conditions for the different programmes. This probability was calculated separately and varied from one program to the other. Changes in these conditions have therefore impacted the options' vesting probability, resulting in an amount of EUR 1.2m previously recognised costs that were reversed.

Impairment assessment on intangible assets

Impairment testing is an area involving management judgment, requiring assessment of whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets, using cash flow projections that have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required for highly uncertain matters, including management's expectation of growth in EBITDA. The Group prepares and approves management plans for its operations, which are used in the calculations.

During the previous reporting year, management had performed a strategic review of its portfolio of assets, and after due consideration of both internal and external information available, had concluded that four products were not expected to produce economic benefit over an indefinite period of time.

Management had considered expected revenues over an estimated life of eight years for these four products, and on this basis has recognised an impairment on intangible assets of EUR 23.1m.

In 2019, following changes in internal management reporting, three operating segments were identified, resulting in three cash-generating units (CGUs) for the purpose of IAS 36. The recoverable amount of the CGUs was assessed on the basis of value-in-use calculations. Following a detailed impairment assessment that was performed at the end of the previous reporting year, management concluded that the recoverable amount for Casino CGU and Sports CGU exceeded the carrying amount. However, the Group concluded that the recoverable amount for the Financial Services CGU is lower than the carrying amount of this CGU, and a further impairment on intangible assets of EUR 9.0m was recognised.

In 2020, Management has continued to assess the Group's strategy in an ever-changing environment, including the consideration of the impact of COVID-19, and emerging markets. Growth and other underlying assumptions over the projected period were reviewed in line with the Group's strategic direction. A detailed impairment assessment was performed at the end of the current reporting year, concluding that the recoverable amount for each of the three CGUs exceeded the carrying amount. Management is also constantly reviewing the estimated indefinite life of its portfolio of assets.

Management's assessment of the recoverable amount of intangible assets will be continuously reviewed for future impairment. The recoverable amount of the Sports CGU is sensitive to ambitious growth assumptions for both the US and non-US assets, including expectations for recovery from COVID-19. Deviations from growth plans could result in impairment. The carrying value of the Financial CGU approximates its recoverable amount and is therefore also sensitive to fluctuations in performance. Further information on this critical accounting estimate can be found in note 15, including disclosure of sensitivity for the key assumptions.

Trade receivables and loss allowances on trade receivables

The loss allowance on trade receivables is a critical accounting estimate and Management continues to review its IFRS 9 expected loss model. Given the Group's limited historical experience, this judgment remains subjective.

As part of a detailed assessment, Management increased the loss allowance on trade receivables by a further EUR 2.7m (2019: 2.8), based on historical experience as adjusted for qualitative factors. Following a review of the billing and collection process, as well as a result of changes in the business mix, Management considers that the default risk assumed within the loss allowance model is sensitive to changes in actual experience, which could be favourable or adverse. Management monitors the adequacy of the loss allowance on an ongoing basis, and will continue to review the assessment of expected loss default rates applied in the model.

5. REVENUE

The Group attracts end users and generates revenue by using three primary online marketing methodologies:

- Generating organic traffic by search engine optimisation (SEO), including acquisitions.
- Paid media by using pay-per-click (PPC) media channels.
- Providing website users a slimmed down version of content through subscriptions.

Revenues generated from acquisitions and through the different marketing methodologies were being treated as two revenue segments, iGaming and Financial Services, through June 2019. During the third quarter of 2019 a change in organisational structure was implemented and as a result the Group's operations for the following six months ending 31 December 2019 are being reported on the basis of three operating segments, Casino, Sports and Financial Services. Further disclosures on segment reporting are included in note 7.

The Company did not generate any revenue during both the current and comparative reporting periods.

The revenue for the Group and the Company is analysed as follows:

	Group		Company	
EUR '000	**31 Dec 2020**	**31 Dec 2019**	**31 Dec 2020**	**31 Dec 2019**
Search revenue	95,944	88,283	-	-
Paid revenue	8,483	11,952	-	-
Subscription revenue	1,564	2,582	-	-
	105,991	**102,817**	-	-

6. DIRECT COSTS

Direct costs include costs related to paid revenue, cashbacks and other direct costs.

7. SEGMENT REPORTING

The Group's operations are reported on the basis of the three operating segments, Casino, Sports and Financial Services, following a change in organisational structure implemented during the third quarter of 2019. The segments were identified in accordance with the definition of an operating segment in IFRS 8, Operating Segments. Comparative information is presented in a different way, as the Group's resources were allocated on the basis of only two reporting segments for the first half of the corresponding year, iGaming and Financial Services, in line with the previous structure. Hence, comparative figures are presented on the basis of the previous organisational structure and operating segments. There were no intersegmental revenues during the year. Further, total assets and liabilities for each reportable segment are not presented, since they are not referred to for monitoring purposes. The following tables show figures for each year presented in this report.

Amounts in '000 (EUR)	Jan–Dec 2020 Casino	Sports	Financial services	Unallo-cated	Total	Jan–Dec 2019 Casino Jul-Dec	Sports Jul-Dec	iGaming Jan-Jun	Financial services Jan-Dec	Unallo-cated Jan-Dec	Total
Revenue*	69,614	30,587	5,790	-	**105,991**	32,109	18,150	46,876	5,682	-	**102,817**
Total revenue	69,614	30,587	5,790	-	**105,991**	32,109	18,150	46,876	5,682	-	**102,817**
Direct costs	(4,214)	(5,437)	(428)	-	**(10,079)**	(3,261)	(3,521)	(6,248)	(580)	-	**(13,610)**
Personnel expenses	(13,477)	(8,939)	(1,943)	755	**(23,604)**	(5,825)	(4,730)	(10,089)	(2,136)	(253)	**(23,033)**
Depreciation and amortisation	(7,066)	(3,588)	(910)	-	**(11,564)**	(4,522)	(2,458)	(6,505)	(598)	-	**(14,083)**
Impairment on intangible assets	-	-	-	-	**-**	(13,230)	(934)	-	(17,939)	-	**(32,103)**
Gain on disposal of investment in subsidiary	-	-	-	519	**519**	-	-	-	-	-	**-**
Other operating expenses	(9,091)	(8,321)	(2,151)	(3,209)	**(22,772)**	(5,362)	(4,918)	(9,974)	(2,702)	(2,712)	**(25,668)**
Total operating expenses	(33,848)	(26,825)	(5,432)	(1,935)	**(67,500)**	(32,200)	(16,561)	(32,816)	(23,955)	(2,965)	**(108,497)**
Operating profit/(loss)	35,766	4,302	358	(1,935)	**38,491**	(91)	1,589	14,060	(18,273)	(2,965)	**(5,680)**
Interest payable on borrowings	-	-	-	(7,441)	**(7,441)**	-	-	-	-	(8,718)	**(8,718)**
Other (losses)/gains on financial liability and equity instruments at fair value through profit or loss	-	-	-	(13,190)	**(13,190)**	-	-	-	-	5,550	**5,550**
Other finance costs	-	-	-	(3,090)	**(3,090)**	-	-	-	-	(1,510)	**(1,510)**
Profit/(loss) before tax	35,766	4,302	358	(25,656)	**14,770**	(91)	1,589	14,060	(18,273)	(7,643)	**(10,358)**
Tax expense	-	-	-	(2,253)	**(2,253)**	-	-	-	-	(178)	**(178)**
Profit/(loss) for the year attributable to the equity holders of the Parent Company	35,766	4,302	358	(27,909)	**12,517**	(91)	1,589	14,060	(18,273)	(7,821)	**(10,536)**
Other comprehensive income											
Items that may be reclassified to profit for the year											
Currency translation differences	-	-	-	(191)	**(191)**	-	-	-	-	(37)	**(37)**
Items that will not be reclassified to profit for the year											
Interest payable on hybrid capital securities	-	-	-	(1,275)	**(1,275)**	-	-	-	-	-	-
Total other comprehensive loss for the year	-	-	-	(1,466)	**(1,466)**	-	-	-	-	(37)	**(37)**
Total comprehensive income/(loss) for the year attributable to equity holders of the Parent Company	35,766	4,302	358	(29,375)	**11,051**	(91)	1,589	14,060	(18,273)	(7,858)	**(10,573)**

* Revenue reported under Financial Services includes finance revenue of EUR 4.2m (2019: 4.2) and subscription revenue amounting to EUR 1.6m (2019: 1.5).

8. PERSONNEL EXPENSES

Personnel expenses incurred during the year and the preceeding year are analysed as follows:

EUR '000	Group 31 Dec 2020	Group 31 Dec 2019	Company 31 Dec 2020	Company 31 Dec 2019
Directors' remuneration	334	353	334	344
Salaries and wages	20,292	18,547	491	-
Social security contribution	3,220	3,002	5	-
Share-based payments	(730)	878	(328)	609
Reorganisation costs	488	253	-	-
	23,604	**23,033**	**502**	**953**

Average number of employees in the Group during the current financial year was 402 (2019: 396) while the Company had 1 employee (2019: nil).

CEO and other members of executive management

Remuneration of the CEO comprises a fixed salary, participation in the share option programme and other benefits.

The other members of executive management during the current financial year were as follows:

Erik Edeen (Interim Chief Financial Officer) succeeded by Peter Messner (Group Chief Financial Officer) on 1 April 2020, Michael Daly (Vice President - North America), Fiona Ewins-Brown (Chief Human Resources Officer), Nigel Frith (Vice President - Financial Services), Chris Welch (Vice President - Sports), Hamish Brown (Vice President - Casino) and Nikola Teofilovic (Vice President - AskGamblers).

During the prior financial period January - June the other members of executive management were as follows:

Johannes Berg (Chief Operating Officer), Erik Edeen (Interim Chief Financial Officer), Asa Hillsten (Head of IR) and Louise Wendel (Head of Legal). Due to organizational changes during the prior year, other members of the executive management for the period July – December were the following:

Johannes Bergh (Chief Operating Officer), Erik Edeen (Interim Chief Financial Officer), Fiona Ewins – Brown (Chief Human Resource Officer), Nigel Frith (Vice President – Financial Services), Richard Gale (Vice President – Sports).

EUR '000	Fixed salary	Other benefits	Total remuneration and other benefits
2020			
Per Hellberg	376	240	**616**
Other members of executive management	1,315	256	**1,571**
2019			
Per Hellberg	356	318	**674**
Other members of executive management	1,245	181	**1,426**

9. ITEMS AFFECTING COMPARABILITY

Items affecting comparability relate to significant items that affect EBITDA when comparing to previous periods, and include credit facility and refinancing costs, reorganisation costs, certain increases in loss allowances on trade receivables, impairment on intangible assets, reversal of costs relating to share-based payments and gain on disposal attributable to the divestment of an investment in subsidiary (see also note 28). During the twelve months ending 31 December 2020, items affecting comparability comprised credit facility and refinancing costs amounting to EUR 1.6m, reorganisation costs amounting to EUR 0.5m, and the gain on disposal attributable to the divestment of Catena Media Financials US Inc. (note 28) amounting to EUR 0.5m. Based on management's judgement EUR 1.6m out of the EUR 2.7m increase in the loss allowance on trade receivables has also been included with items affecting comparability. Furthermore, as part of the year-end reassessment of the share-based payment plans, EUR 1.2m in relation to costs associated with the 2018 and 2019 programs were reversed due to changes in conditions that impacted the vesting probability. During the financial year ended 31 December 2019, items affecting comparability comprised EUR 0.1m that related to the credit facility and refinancing costs, EUR 0.3m that related to reorganisation costs and EUR 2.7m that related to an increase in loss allowances on trade receivables.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME MEASURES*

		31 Dec 2020	31 Dec 2019
Operating profit/(loss)		**38,491**	**(5,680)**
Depreciation and amortisation		11,564	14,083
Impairment on intangible assets	15	-	32,103
EBITDA		**50,055**	**40,506**
Gain on disposal of investment in subsidiary	9, 28	(519)	-
Reorganisation costs	8, 9	488	253
Other items affecting comparability	9	1,966	2,712
Adjusted EBITDA		**51,990**	**43,471**
Adjusted EBITDA margin (%)		**49**	**42**

*Measures presented above are not defined by IFRS but are deemed to provide valuable information on the Group's financial performance.

10. OTHER OPERATING EXPENSES

The Group's and the Company's other operating expenses consist of the following:

EUR '000	Group 31 Dec 2020	Group 31 Dec 2019	Company 31 Dec 2020	Company 31 Dec 2019
SEO support costs	6,224	8,794	-	-
Professional fees	3,199	3,458	2	-
HR and recruitment costs	564	1,250	-	-
Corporate and investor relations costs	844	716	200	173
Loss allowances on trade receivables and bad debt write-offs*	3,434	3,016	-	-
General office and administration costs	685	881	-	-
Marketing costs	765	1,224	-	-
Travel and entertainment	337	1,722	-	-
IT related costs	2,665	2,456	-	-
Credit facility and refinancing costs	1,609	62	-	-
Other expenses	2,446	2,089	15	21
	22,772	**25,668**	**217**	**194**

*Loss allowances on trade receivables includes EUR 1.6m (2019: 2.7) designated as items affecting comparability.

Fees charged by the auditor for services rendered during the financial year ended 31 December 2020 and the preceding year are shown in the table below:

	Group		Company	
EUR '000	**31 Dec 2020**	**31 Dec 2019**	**31 Dec 2020**	**31 Dec 2019**
Annual statutory audit*	201	206	-	-
Tax advisory and compliance services	5	95	2	2
Other assurance services	75	10	65	-
Other non-audit services	13	43	3	-
	294	**354**	**70**	**2**

*The audit fee of the parent company is included in the Group audit fee disclosed above.

The amount of audit fees disclosed above for the year ended 31 December 2020 includes EUR 0.05m (2019: EUR 0.1m), which is charged by other PwC offices, and not the PwC office auditing the parent company. Other non-audit services include permissible services.

11. OTHER FINANCE COSTS

Other finance costs comprise the notional interest on contingent considerations, the notional interest on future lease payments as well as foreign currency exchange losses, netted off against any resulting gains during the year.

12. TAX EXPENSE

The tax charge for the year comprises the following:

	Group		Company	
	31 Dec 2020	**31 Dec 2019**	**31 Dec 2020**	**31 Dec 2019**
Current tax expense	1,259	1,187	-	-
Deferred tax expense	994	(1,009)	-	-
	2,253	**178**	-	-

The tax on the Group's and Company's profit before tax differs from the theoretical tax expense that would arise using the applicable tax rates as shown in the following table. The tax expense for the year and the result of the accounting profit, multiplied by the effective tax rate applicable in Malta and other countries, are reconciled as follows:

	Group		Company	
	31 Dec 2020	**31 Dec 2019**	**31 Dec 2020**	**31 Dec 2019**
Profit/(loss) before tax	14,770	(10,358)	(14,375)	4,475
Tax calculated at domestic rates applicable to profits in respective countries	1,419	501	(5,031)	1,566
Tax effect of:				
- Expenses not deductible for tax purposes	767	62	5,208	405
- Income not subject to tax	(228)	(224)	(177)	(1,971)
- Other	295	(161)	-	-
	2,253	**178**	**-**	**-**

13. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing profit/(loss) attributable to equity holders of the Parent Company by the weighted average number of ordinary shares in issue during the period.

	Group	
	31 Dec 2020	**31 Dec 2019**
From profit/(loss) for the year (EUR)	0.20	(0.18)
Weighted average number of ordinary shares in issue	63,776,106	57,555,578

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of all dilutive potential ordinary shares. The Group's potential dilutive ordinary shares for the year ended 31 December 2020 comprise share options, share warrants and warrants issued as part of the Rights Issue, while for the comparative year the potential dilutive ordinary shares consist of share options, share warrants and shares issued as part payment for asset acquisitions. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding shares. The number of shares calculated above is compared with the number of shares that would have been issued, assuming the exercise of the share options or the issue of shares.

	Group	
	31 Dec 2020	**31 Dec 2019**
From profit/(loss) for the year (EUR)	0.12	(0.17)
Weighted average number of ordinary shares in issue	63,776,106	57,555,578
Adjustments for share options, warrants, warrants issued as part of the Rights issue (2020) and shares issued as part payment for asset acquisitions (2019)	39,595,103	3,120,184
Weighted average number of ordinary shares for diluted earnings per share	**103,371,209**	**60,675,762**

14. SHARE BASED PAYMENTS

Share options and warrants are granted to directors and to selected employees. During 2020, the Group granted share warrants to two directors (2019: two) to purchase a total of 165,000 warrants (2019: 70,000). The Group also entered into thirty-four share option agreements with thirty-two (2019: thirty) of its employees and committed a total of 1,325,000 shares (2019: 1,900,000).

The average exercise price of the options granted during the current financial year is equal to EUR 2.77 for thirty-four option agreements, while the average exercise price of all outstanding options is equal to EUR 6.65.

The average exercise price of options granted in the preceding financial year was equal to EUR 6.23 for thirty option agreements. Options are conditional on the employee completing 36 months of service (the vesting period). Both share warrants and option agreements can be exercised 36 months after the date they were granted and have a contractual term of 42 months. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share warrants outstanding and their related weighted average exercise prices are as follows: Out of the 220,500 (2019: 379,143) outstanding warrants, none of the warrants were exercisable as at 31 December 2020 (2019: nil).

	Average exercise price in EUR per warrant	Number of Warrants
Opening Balance 2019	**20.94**	**309,143**
Granted	6.39	70,000
At 31 December 2019	**18.26**	**379,143**
Opening Balance 2020	**18.26**	**379,143**
Granted	2.76	165,000
Expired	13.66	(253,643)
Cancelled	6.39	(70,000)
At 31 December 2020	**6.44**	**220,500**

Share warrants outstanding at the end of the year have the following expiry dates and exercise prices:

	Expiry date	Exercise price in EUR per warrant	Number of Share warrants
Grant date			
Jun 2018	Dec 2021	17.38	55,500
Jun 2020	Dec 2023	2.76	165,000
			220,500

Movements in the number of outstanding share options and their related weighted average exercise prices are as follows:

	Average exercise price in EUR per option	Number of Options
At 1 January 2019	**8.35**	**1,672,294**
Granted	6.23	1,910,000
Exercised	1.98	(130,860)
Forfeited	13.41	(201,189)
At 31 December 2019	**9.68**	**3,250,245**
Granted	2.77	1,325,000
Expired	12.60	(768,000)
Forfeited	6.91	(396,392)
At 31 December 2020	**6.65**	**3,410,853**

Out of the 3,410,853 (2019: 3,250,245) outstanding options, 1,325,000 options (2019: 1,900,000) were granted at 31 December 2020. During the current financial year, 396,392 share options were forfeited upon termination of employment (2019: 201,189). No share options were exercised during the current financial year (2019: 130,860). The weighted average remaining contractual life of outstanding options at the end of the reporting period was 25 months (2019: 27).

Valuation of share options for the year ended 31 December 2020

The weighted average fair value of options granted during the period, determined using the Black-Scholes valuation model, was EUR 2.77 per share under option. The significant inputs into the model for the first program issued during the year comprised the share price of EUR 1.75 on the grant date, exercise price of EUR 2.89, volatility of 45%, an expected option life of 3 years and an annual risk-free interest rate of -0.16%. The values of the second program comprised the share price of EUR 2.05 on the grant date, exercise price of EUR 2.76, volatility of 66.6%, an expected option life of 3 years and an annual risk-free interest rate of 0.16%. The volatility assumption and the dividend yield assumption were based on the variables observed for listed companies in similar industries.

Valuation of share options for the year ended 31 December 2019

The weighted average fair value of options granted during the period, determined using the Black-Scholes valuation model, was EUR 6.23 per share under option. The significant inputs into the model were weighted average share price of EUR 5.69 on the grant date, exercise price shown above, volatility of 30%, an expected option life of 3 years and an annual risk-free interest rate of 2%. The volatility assumption and the dividend yield assumption were based on the variables observed for listed companies in similar industries.

Share options outstanding at the end of the period have the following expiry date and exercise prices:

	Expiry date	Exercise price in EUR per option	Share options
Grant date			
Jan 2018	Jul 2021	14.38	265,000
Jun 2018	Dec 2021	17.31	52,833
Jun 2018	Dec 2021	17.38	300,000
Nov 2018	May 2022	13.80	5,798
Jun 2019	Dec 2022	6.39	1,247,222
Dec 2019	Jun 2023	4.87	215,000
Mar 2020	Sep 2023	2.89	100,000
Jun 2020	Dec 2023	2.76	1,225,000
			3,410,853

From the 3,410,853 (2019: 3,250,245) shares outstanding at the end of the year, the Group estimates that 1,351,869 (2019: 2,268,172) share options are expected to vest. As at year end, no share options are expected to vest under the 2018 program; 454,369 share options are expected to vest under the 2019 program; whilst 897,500 share options are expected to vest with respect to grants in 2020. As at 31 December 2019, the Group estimated that 2,268,172 share options, representing 70% of the outstanding shares, were expected to vest under all programmes.

As at 31 December 2020, the number of options expected to vest under the 2018 and 2019 programmes decreased substantially from the estimates in prior reporting period, namely due to revisions of estimates in non-market conditions linked to certain group-specific targets that the directors believe are no longer probable to be met. The Group's expected forfeiture rates, which reflect updated information on the Group's historical turnover rates, have also increased in comparison to prior reporting periods, with a weighted average rate of 43% being considered in the Group's estimates at year end. The effect of such revisions in estimates are recognised in the Group's statement of comprehensive income within 'Personnel expenses'.

15. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill	Group
EUR '000	
Year ended 31 December 2019	
Balance at 1 January 2019	11,966
Impairment	(4,633)
Balance at 31 December 2019	**7,333**
Year ended 31 December 2020	
Balance at 1 January 2020	7,333
Impairment	-
Balance at 31 December 2020	**7,333**

The Group's acquisitions primarily comprise domains and websites, player databases, and in certain instances other components of intellectual property. The consideration paid for player databases is determined by reference to the historical average revenue per active player for the portfolio of acquired players over the expected player life. In the instances where other components of intellectual property are identified, the allocation of the consideration was based on an estimate of the replacement value of the asset. The residual value is being allocated to domains and websites. As the Group can continually renew a domain name, and it does not see an end to its usefulness, it was concluded that websites and domains have an indefinite useful life.

Other intangible assets

EUR '000	Domains and websites	Player databases	Other intellectual property	Total
Cost				
At 1 January 2019	**313,209**	**16,534**	**11,525**	**341,268**
Additions	440	13	5,420	5,873
Disposals	(88)	-	(63)	(151)
Change in estimates	(14,613)	(492)	-	(15,105)
Balance at 31 December 2019	**298,948**	**16,055**	**16,882**	**331,885**
Additions	230	-	4,674	4,904
Disposals	-	(599)	-	(599)
Change in estimates	(426)	-	-	(426)
Balance at 31 December 2020	**298,752**	**15,456**	**21,556**	**335,764**
Accumulated depreciation and impairment losses				
At 1 January 2019	**-**	**(8,767)**	**(4,129)**	**(12,896)**
Amortisation charge	-	(5,234)	(4,765)	(9,999)
Disposal	-	-	63	63
Impairment charge	(27,469)	-	-	(27,469)
Balance at 31 December 2019	**(27,469)**	**(14,001)**	**(8,831)**	**(50,301)**
Amortisation charge	(511)	(1,954)	(5,506)	(7,971)
Amortisation released upon disposal	-	499	-	499
Balance at 31 December 2020	**(27,980)**	**(15,456)**	**(14,337)**	**(57,773)**
Carrying amounts				
At 31 December 2019	271,479	2,054	8,051	281,584
At 31 December 2020	**270,772**	**-**	**7,219**	**277,991**

Additions of EUR 4.7m (2019: EUR 5.4m) relating to other intellectual property comprise costs for the development of websites and other applications. No asset acquisitions were concluded during the year ended 31 December 2020. Adjustments recognised as a result of a change in agreement amounted to EUR -0.4m during the current year. Adjustments recognised as a result of changes in estimates of the likely outcome of a contingent event as well as changes in agreements amounted to EUR -15.1m during the comparative year. Asset disposals of EUR 0.6m relate to the divestment of Catena Media Financials US Inc. (Note 28) during the year ended 31 December 2020.

Amortisation and impairment

The Group has three operating segments: Casino, Sport and Financial Services, resulting in three cash-generating units (CGUs) for the purpose of IAS 36. The recoverable amount of the CGUs was assessed, based on value-in-use calculations. Following a detailed impairment assessment that was performed at the end of the reporting period, it was concluded that the recoverable amount of each of the three CGUs exceeds the carrying amount. Furthermore, Management is of the view that with the right level of investment, the underlying products are not expected to expire over a foreseeable period of time. Therefore, Management has opted to test the recoverable amount of the products at a CGU level, and retained the indefinite useful life assumption for these assets, in-line with the methodology used in prior years.

The recoverable amount of the three CGUs was based on cash flow projections comprising budgeted income from operations for 2021 and cash flows projections for the period 2022 – 2025 reflecting compounded annual growth rates ('CAGR') as per the table below, which were duly discounted by the respective discount rates also disclosed below. An in-perpetuity growth rate of 2% was applied beyond this period. The effective tax rate was estimated at 35%.

CGU	For 2020 CAGR 2022-2025; for 2019 CAGR 2021-2024		Discount Rate	
	2020	2019	2020	2019
Casino	15.80%	2.50%	15.50%	13.20%
Sports	21.30%	8.40%	13.50%	13.20%
Financial	3%**	3.20%	11.50%	13.20%

** Excluding Hammerstone due to the divestment during December 2020.

The performance of the Sports CGU during 2020 financial year was particularly impacted by COVID-19, which resulted in steeper budgeted growth rate for the Sports CGU in 2021. Management does not assume a similar reduction as a result of COVID-19 during 2021 since sports events are not expected to be cancelled as they were for a transitional period in 2020. In the short to medium term, Management's projections consider the Group's strategy for initiatives both in Casino and Sports segments, in terms of new markets and further expansion in certain existing markets through existing portfolios, such as Japan and US. This explains the higher CAGR for both CGUs over the period 2022 to 2025. Management's assessment of execution risk was reflected through the corresponding discount rates applied across each segment.

During December 2020, the Group disposed of Hammerstone from the Financial Services CGU, and the CGU's carrying value and projections have been revised accordingly to exclude the revenue generated by Hammerstone. The Financial Services CGU is expected to grow modestly. Management also reviewed the basis for the allocation of certain personnel and other operating expenses, which were not considered to be directly attributable to the respective CGUs in 2019.

As at 31 December 2020, the carrying amount of intangibles, including goodwill, comprises 45% (2019: 40%) attributable to the Casino segment, 51% (2019: 54%) attributable to the Sports segment, and the remaining 4% (2019: 6%) to the Financial Services segment.

Sensitivity analysis

In determining the significant assumptions underlying the above projections, Management applied judgement in assessing experience for each segment, and expectations for market and portfolio performance, taking into consideration the different risk factors for each CGU, including the impact of COVID-19, which remains uncertain.

The Group's conclusion is that the recoverable amount of the Casino CGU is well in excess of the carrying amount, and thus a sensitivity analysis in this regard is not disclosed. The Sports CGU and Financial Services CGU are considered to be more sensitive to changes in key assumptions, since their carrying value as at the year end, is close to the recoverable amount for both Financial Services CGU and Sports CGU. The impairment assessment for these segments is inherently uncertain, and the underlying assumptions are reviewed annually. The principal assumptions used in the impairment assessment relate to projected revenues for, and discount rates applied to, the respective CGUs.

- If the average annual growth rate over the period 2022-2025 for the Sports CGU had been 1% lower per annum than Management's estimate at 31 December 2020, an impairment would arise for the CGU.
- If the average annual growth rate over the period 2022-2025 for the Financial Services CGU had been 1% lower per annum than Management's estimate at 31 December 2020, no impairment would arise for the CGU.
- If the discount rate used had been 1% higher than Management's estimate as at 31 December 2020, all other things being equal, the Sports CGU would be impaired.
- If the discount rate used had been 1% higher than Management's estimate as at 31 December 2020, all other things being equal, the Financial Services CGU would not be impaired.

16. PROPERTY, PLANT AND EQUIPMENT

				Group
EUR '000	**Computer equipment**	**Furniture and fixtures**	**Property improvements**	**Total**
Cost				
At January 2019	1,141	1,986	2,168	5,295
Additions	122	127	161	410
Balance at 31 December 2019	**1,263**	**2,113**	**2,329**	**5,705**
Additions	220	42	37	299
Disposal	(22)	(72)	-	(94)
Balance at 31 December 2020	**1,461**	**2,083**	**2,366**	**5,910**
Accumulated depreciation and impairment losses				
At 1 January 2019	**(484)**	**(352)**	**(450)**	**(1,286)**
Depreciation	(274)	(250)	(571)	(1,095)
Balance at 31 December 2019	**(758)**	**(602)**	**(1,021)**	**(2,381)**
Depreciation	(254)	(252)	(464)	(970)
Disposal	13	22	-	35
Balance at 31 December 2020	**(999)**	**(832)**	**(1,485)**	**(3,316)**
Carrying amounts				
At 31 December 2019	505	1,511	1,308	3,324
At 31 December 2020	**462**	**1,251**	**881**	**2,594**

17. LEASES

This note explains the impact of the adoption of IFRS 16, "Leases" on the Group's financial statements, which became mandatory on 1 January 2019. The Group applied the simplified transition approach as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are recognised in the opening balance sheet on 1 January 2019.

After adopting IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate, which was the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions. The incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.5%.

From 1 January 2019, each lease payment has been allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

EUR '000	Group
Operating lease commitments disclosed as of 31 December 2018	10,411
Discounted using the Group's incremental borrowing rate as at 1 January 2019	9,258

Movements during the year are summarised below:

Amounts in '000 (EUR)	Jan-Dec 2020	Jan-Dec 2019
Opening balance	7,782	9,258
Notional interest charge for the year, net of foreign exchange differences	363	449
New lease arrangements during the year	(238)	1,036
Settlements	(3,093)	(2,961)
Closing balance	**4,814**	7,782

Lease liability is further analysed as follows:

Amounts in '000 (EUR)	31 Dec 2020	31 Dec 2019
Current lease liability	2,310	3,094
Non-current lease liability	2,504	4,688
	4,814	7,782

The current portion of the lease liability is included within "Trade and other payables" in the statement of financial position. The associated right-of-use asset for property leases was measured at an amount equivalent to the lease liability plus prepaid lease expenses as of 1 January 2019, and amounted to EUR 9.3m. The asset is subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The recognised right-of-use asset relates to the following type of asset:

	Group
EUR '000	**Properties**
Discounted lease commitments as at 1 January 2019	9,258
Additions	1,148
Terminations	(158)
Adjustments including changes to lease terms	210
Balance at 31 December 2019	**10,458**
Additions	219
Terminations	(156)
Adjustments including changes to lease terms	(422)
Balance at 31 December 2020	**10,099**
Accumulated depreciation	
At 1 January 2019	-
Depreciation	(2,989)
Differences upon currency translations	(36)
Balance at 31 December 2019	**(3,025)**
Depreciation	(2,623)
Differences upon currency translations	154
Balance at 31 December 2020	**(5,494)**
Carrying amounts	
At 31 December 2019	7,433
At 31 December 2020	**4,605**

Nature of lease arrangements

The Group leases offices, of which contracts are typically made for a fixed number of years, generally up to a maximum term of five years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, including extension and termination options. These are used to maximise operational flexibility of managing the assets used in the Group's operations. The majority of these options are exercisable by the lessee, in this case, the individual Group companies. The extension to the lease term is generally up to 1 year, during which period the lessee shall have the right to terminate the lease by a written notice given to the lessor within a stipulated time frame.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability on the date at which the leased asset is available for use by the Group. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments, discounted using the Group's incremental borrowing rate, which is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset, in a similar economic environment with similar terms, security and conditions.

18. INVESTMENT IN SUBSIDIARIES

EUR '000	Consideration for subscribed capital	Capital contribution	Total
Year ended 31 December 2019			
Opening net book amount	3	1,236	1,239
Additions	-	270	270
Closing net book amount	**3**	**1,506**	**1,509**
Year ended 31 December 2020			
Opening net book amount	3	1,506	1,509
Additions	-	260,424	260,424
Closing net book amount	**3**	**261,930**	**261,933**

The capital contribution relates to the cost of share options granted to the employees of the Company's subsidiary undertaking. The cost is recognised over the vesting period as an increase to investment in subsidiary undertakings. Additionally, during the year ended 31 December 2020 an amount of EUR 259.5m has been recognised as an informal capital contribution which is a non-cash transaction.

SUBSIDIARIES	Country of incorporation	Class of shares held	Percentage of ownership and voting rights held by the Group		Percentage of ownership and voting rights held directly by the Company	
			2020	2019	2020	2019
Catena Operations Limited	Malta	Ordinary shares	100	100	100	100
Catena Media UK Limited	UK	Ordinary shares	100	100	-	-
Catena Media doo Beograd	Serbia	Ordinary shares	100	100	-	-
Catena Media US Inc.	USA	Ordinary shares	100	100	-	-
Catena Media K.K.	Japan	Ordinary shares	100	100	-	-
Catena Media Australia Pty. Ltd.	Australia	Ordinary shares	100	100	-	-
Catena Media Sverige AB	Sweden	Ordinary shares	100	100	-	-
Catena Financial Limited	Malta	Ordinary shares	100	100	100	100
Catena Financials UK Ltd	UK	Ordinary shares	-	100	-	-
Catena Media Financials US Inc	USA	Ordinary shares	-	100	-	-
Catena Media Italia Srl	Italy	Ordinary shares	100	100	-	-
Catena Media Canada LTD.	Canada	Ordinary shares	100	100	-	-

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
EUR '000	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Trade receivables	20,382	20,601	-	-
Loss allowances on trade receivables	(5,896)	(3,232)	-	-
Amounts owed by immediate subsidiary	-	-	-	246,429
Prepayments and accrued income	1,847	1,287	21	12
Other receivables	2,060	1,897	-	-
	18,393	**20,553**	**21**	**246,441**

The amounts owed by the subsidiary for the year ended 31 December 2019 were unsecured, interest-free and repayable on demand.

The IFRS 9 assessment resulted in a default risk of 1.99% (2019: 1.1), and if this had to increase or decrease by 0.5% it would have an impact of plus or minus of EUR 0.4m (2019: 0.5) on the Group's profit or loss for the year.

Information related to credit risk and impairment allowances is disclosed in note 3.

20. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand, balances with banks and cash held by payment processors. Cash and cash equivalents included in the statement of cash flows reconcile with the amounts shown in the statement of financial position, as follows:

	Group		Company	
EUR '000	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Cash in hand	4	4	-	-
Cash at bank	28,749	11,010	7,665	109
Cash held by payment processors	1,186	1,272	-	-
	29,939	**12,286**	**7,665**	**109**

21. SHARE CAPITAL

On 11 February 2016, Catena Media plc was listed on Nasdaq First North Premier, Stockholm (CTM). On 4 September 2017, Catena Media plc made the move to Nasdaq Stockholm's main market, Mid Cap. The shares are traded under the same ticker (CTM) and with the same ISIN code (MT0001000109) as before. Further information about the listing is presented in the prospectus, which is available on the Company's website at https://www.catenamedia.com/investors/prospectus.

On 31 January 2019, the Company announced that it had resolved on a directed issue of 22,000 shares by virtue of the Company's incentive programme.

On 28 February 2019, the Company announced that it had resolved on a directed issue of 468,132 shares as part payment of the upfront purchase price for acquired assets in Baybets Ltd.

On 30 April 2019, the Company announced that it had resolved on a directed issue of 108,860 shares by virtue of the Company's incentive programme.

On 28 June 2019, the Company announced that it had resolved on a directed issue of 103,280 shares as earn-out payments for acquired assets in BonusSeeker and BrokerDeal.

On 31 July 2019, the Company announced that it had resolved on a directed issue of 1,440,454 shares as final earn-out payments for US assets acquired in December 2016.

On 29 November 2019, the Company announced that it had resolved on a directed issue of 183,672 shares as final earn-out payments for the final part of the purchase price for the acquisition of Catena Media Italia Srl (formerly ASAP Italia Srl)

On 28 February 2020, the Company announced that it had resolved on a directed issue of 2,955,470 shares as part of the payment of the final purchase price for the US assets acquired in December 2016.

On 31 August 2020, the Company announced that it had resolved on a directed issue of 5,124,004 due to the exercise of Catena Media's warrants (CTM TO1) (the "Warrants") during the first Warrant exercise period.

On 30 September 2020, the Company announced that it had resolved on a directed issue of 1,596,668 due to the exercise of Catena Media's warrants (CTM TO1) (the "Warrants") during the second Warrant exercise period.

After these new share issues, the total number of issued shares for the year ended 31 December 2020 amounted to 68,289,412.

Details of share capital for the Company as at 31 December 2020:

EUR '000	31 Dec 2020
Authorised share capital	
133,333,333 ordinary shares of EUR0.0015 each	200
Issued and fully paid	
68,289,412 ordinary shares of EUR0.0015 each	102

Details of share capital for the Company as at 31 December 2019:

EUR '000	31 Dec 2019
Authorised share capital	
133,333,333 ordinary shares of EUR0.0015 each	200
Issued and fully paid	
58,613,270 ordinary shares of EUR0.0015 each	88

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company.

Other reserves

Other reserves comprise the share-based payments reserve and the foreign currency translation reserve. The share-based payments reserve is used to recognise the grant date fair value of options issued to employees but not exercised. The foreign currency translation reserve comprises exchange differences arising on translation of the foreign controlled entities. These are recognised in other comprehensive income and accumulated in a separate reserve within equity.

22. BORROWINGS

Borrowings at the end of the reporting period comprised senior unsecured bonds with a remaining total nominal amount of EUR 94.5m, under a framework of EUR 250.0m, maturing on 2 March 2022 after the terms and conditions were amended on 29 June 2020. The corresponding balance as of 31 December 2019 comprised the bonds amounting to EUR 150.0m and the utilised portion of the bank credit facility amounting to EUR 12.5m. The bonds were listed on Nasdaq Stockholm on 6 April 2018 at a nominal value of EUR 100,000 each. Pursuant to the amended terms and conditions, the bonds are secured by a pledge on all outstanding shares in Catena Operations Ltd and Catena Financial Ltd from 31 January 2021. Following the amended terms, the Company made a mandatory partial prepayment on 16 July 2020. This prepayment was made in relation to all outstanding bonds by way of reducing the nominal amount of each bond pro rata by EUR 33,000 per bond, in aggregate EUR 49.5m. This mandatory partial prepayment per bond was made without premium but together with accrued but unpaid interest on the prepaid amount of EUR 0.3m. In addition to the mandatory partial prepayment, the amendment of the terms and conditions of the outstanding bonds entail that the Company is entitled to make additional voluntary partial prepayments of the bonds of up to EUR 4,000 per bond, in aggregate up to EUR 6.0m, on each interest payment date. The Company made such a voluntary prepayment on 2 December 2020. This prepayment was made in relation to all outstanding bonds and amounted to EUR 6.0m in aggregate, reducing the nominal amount of each bond pro rata to EUR 63,000 per bond. The call option price for the redemption of the outstanding bonds will increase from 101.375 percent to 102.75 percent of the nominal amount as from 2 March 2021 and to 105 percent as from 2 September 2021. The Company announced its intention to make an additional voluntary prepayment on 2 March 2021. A total of EUR 4,000 per bond, at a call option price of 101.375 percent will be prepaid, EUR 6.0m in aggregate.

On 14 December 2020, Catena Media announced a repurchase of bonds of a total nominal amount of EUR 7.5m, consisting of 60 units purchased at a premium of 101.375 percent, 19 units purchased at a premium of 101.75 percent and 40 units purchased at a premium of 101.8 percent. On 23 December 2020 Catena Media announced a further repurchase of bonds of a total nominal amount of EUR 2.3m consisting of 36 units purchased at a premium of 101.8 percent. Following the repurchases, Catena Media's holding of outstanding bonds amounted to a total nominal value of EUR 9.8m as at 31 December 2020.

The debt securities bear a floating rate coupon of Euribor 3m + 5.5 percent. Euribor 3m is subject to a floor of 0 percent. The bond was designated by Management as a financial liability at fair value through profit or loss, since it contains an embedded derivative that may significantly modify the resulting cashflow. This embedded derivative is an early redemption option, with the redemption price set in accordance with a mechanism defined in the prospectus. The fair value of the bond, the bond's fair value was categorised within the IFRS 13 fair value hierarchy as Level 3.

The fair value movement for the year ended 31 December 2020 and 2019, comprise a loss of EUR 12.7m and a gain of EUR 5.6m, respectively and are recognised in "Other (losses)/gains on financial liability at fair value through profit or loss" in the statement of comprehensive income. If the estimated price of the bond increased by 1 percent, the estimated fair value of the bond would increase by EUR 0.9m. Similarly, if the estimated price of the bond decreased by 1 percent, the estimated fair value of the bond would decrease by EUR 0.9m.

Out of the outstanding balance of the bond, EUR 9.3m having a fair value of EUR 9.4m has been classified as current. The remaining balance of EUR 76.2m has been classified as non-current, since the repayment date has been extended to March 2022.

The amended terms for the multicurrency revolving bank credit facility (RCF) with Swedbank AB (publ) provided available credit of EUR 12.5m, out of which the full amount had been utilised. On 29 September 2020, the Company paid EUR 5.0m, reducing the facility to EUR 7.5m by the end of the third quarter. The Company paid the remaining EUR 7.5m on 30 December 2020, reducing the facility to zero (0) by the end of the year. The RCF carried a floating rate of Euribor 3m +2.50 percent, with Euribor 3m being subject to a floor of 0 percent.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented:

	Group		Company	
EUR '000	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Cash and cash equivalents (note 20)	29,939	12,286	7,665	109
Borrowings	(85,688)	(150,950)	(85,688)	(150,950)
Net debt	**(55,749)**	**(138,664)**	**(78,023)**	**(150,841)**

	Group and Company	
EUR '000	31 Dec 2020	31 Dec 2019
Borrowings as at 1 January 2019	150,950	144,000
Increase in borrowings	-	12,500
Repayments and bond purchases	(78,007)	-
Fair value movement	12,745	(5,500)
Borrowings at 31 December	**85,688**	**150,950**

23. AMOUNTS COMMITTED ON ACQUISITION

	Group		Company	
EUR '000	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Current				
Amounts committed on acquistion	-	18,068	-	-
	-	**18,068**	-	-

Amounts committed on acquisition consist of contractual obligations resulting from the purchase of intangible assets from third parties. Some of the obligations have a predetermined value, while others include future payments whose value depends on target earnings. The latter are referred to as "contingent considerations". Expected cash outflows relating to these contingent considerations are assessed by the Directors for each asset acquisition on the basis of their knowledge of the industry and how the economic environment is likely to impact it. By the end of the second quarter all commitments had been settled.

The notional interest charge on the contingent considerations is included in 'Other finance costs', net of foreign exchange differences.

24. DEFERRED TAXATION

Deferred tax is calculated on all temporary differences under the liability method, using the tax rate that is expected to apply to the period when the assets/liabilities are settled, based on the tax rates expected in the tax jurisdictions concerned. The movement in deferred tax balances is analysed as follows:

Group EUR '000	Balance at 1 Jan 2020	Recognised in profit and loss	Balance at 31 Dec 2020
Deferred tax assets			
Unremitted earnings of subsidiary	(63)	-	(63)
Unutilised tax losses	(7,511)	(874)	(8,385)
Provision for bad debts	(162)	(132)	(294)
Property, plant and equipment	(42)	(23)	(65)
	(7,778)	**(1,029)**	**(8,807)**
Deferred tax liability			
Intangible assets	11,148	2,128	13,275
Unrealised exchange differences	219	(106)	113
	11,367	**2,022**	**13,389**
Net movement	**3,589**	**993**	**4,582**

Group EUR '000	Balance at 1 Jan 2019	Recognised in profit and loss	Balance at 31 Dec 2019
Deferred tax assets			
Unremitted earnings of subsidiary	(63)	-	(63)
Property, plant and equipment	1	(43)	(42)
Intangible assets	8,951	2,197	11,148
Unutilised tax losses	(4,539)	(2,972)	(7,511)
	4,350	**(818)**	**3,532**
Deferred tax liability			
Provision for bad debts	(15)	(147)	(162)
Unrealised exchange differences	263	(44)	219
	248	**(191)**	**57**
Net movement	**4,598**	**(1,009)**	**3,589**

25. TRADE AND OTHER PAYABLES

	Group		Company	
EUR '000	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Trade payables	1,545	1,528	142	18
Amounts owed to other Group undertakings	-	-	25,307	4,780
VAT payable	399	109	3	5
Accruals and deferred income	3,124	1,914	56	10
Bond interest liability	378	665	378	665
Current lease liability (note 17)	2,310	3,094	-	-
Other payables	84	373	-	-
Total trade and other payables	**7,840**	**7,683**	**25,886**	**5,478**

Amounts owed to other Group undertakings are unsecured, interest-free and repayable on demand.

26. RELATED PARTY TRANSACTIONS

In view of its shareholding structure, the Company and the Group have no ultimate controlling party. All companies forming part of the Group and other entities under common control are considered by the directors to be related parties.

The following transactions were carried out with related parties:

	Group		Company	
EUR '000	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Key management personnel				
Directors' fees	334	353	334	344
Executive management	2,335	2,004	-	-

27. HYBRID CAPITAL SECURITIES

On 17 April 2020, the Company announced that the Board of Directors of Catena Media plc proposed that an Extraordinary General Meeting be held to decide on a fully guaranteed Rights Issue of units consisting of hybrid capital securities, accredited 100 percent equity treatment according to IFRS, and warrants with preferential rights for the Company's existing shareholders (the "Rights Issue"). On 10 June 2020, the EGM resolved to carry out the Rights Issue.

The subscription price for the Rights Issue was set to SEK 100.0 per Unit. Each Unit consisted of one (1) hybrid capital security and six (6) warrants. Interest is paid at a floating rate of STIBOR 3m + 8 percent per annum. The company may redeem the hybrid capital securities in full on the first call date, which falls five (5) years after the Issue Date (10 July 2020). If the hybrid capital securities are not redeemed on the first call date, interest will be increased to STIBOR 3m + 11 percent per annum during the first year, and then increased by 1 percentage point per annum each year the hybrid capital securities are still outstanding. The company may, at any time and at its sole discretion, elect to defer any interest payment, in whole or in part, which is otherwise scheduled to be paid on an interest payment date (except on any interest payment date on which the hybrid capital securities are to be redeemed) by giving notice of such election in accordance with Terms and Conditions of the hybrid capital securities.

On 29 June 2020, the Company announced that the Rights Issue had been oversubscribed, thus fulfilling a condition under the written procedure for the amendment of the terms and conditions of the existing bonds, and that the EUR 49.5m mandatory partial prepayment of the outstanding bond would be carried out on 16 July 2020.

The Rights Issue comprised a total of 6,840,971 Units and the subscription period ran from 15 June to 26 June 2020. The final outcome of the Rights Issue shows that the Rights Issue was subscribed by a total of approximately 117 percent, of which approximately 86.7 percent. or approximately SEK 593.0m was subscribed with unit subscription rights, approximately 28.6 percent, or approximately SEK 196.0m was subscribed without unit subscription rights, and approximately 1.7 percent, or SEK 11.5m allotted to members of the Company's board of directors in excess of Units subscribed with exercise of unit subscription rights. This means that the external guarantee undertakings provided in the Rights Issue have not been utilised. The Company has received approximately SEK 684.0m through the Rights Issue before deduction of transaction-related costs. The final outcome of the Rights Issue was a total subscription of SEK 684.1m.

On 10 July 2020, the Company announced that the first period to subscribe for shares in the Company by exercise of warrants had commenced. The subscription period ran from 10 July to 19 July 2020. In total, 5,124,004 Warrants, comprising approximately 11.1 percent. of all outstanding Warrants, were used to subscribe for the same number of new ordinary shares in the Company. Payment for the new ordinary shares has been made in cash with a total amount of approximately SEK 72.3m and by set-off of the Company's hybrid capital securities to a total amount of approximately SEK 24.5m.

On 20 August 2020, the Company announced that the second period to subscribe for shares in the Company had commenced. The subscription period ran from 20 August to 29 August. During the subscription period a total of 1,596,668 Warrants were used to subscribe for the same number of ordinary shares in the Company. 161,752 subscribed shares have been entirely paid in cash and 1,434,916 subscribed shares have been paid by setting off the nominal amount of 261,828 hybrid capital securities (each with a nominal amount of SEK 100.0), meaning that a total nominal amount of SEK 26.2m of the Company's hybrid capital securities have been used for set-off purposes. On 20 November 2020, the Company announced that the third period to subscribe for shares in the Company had commenced. The subscription period ran from 20 November to 29 November 2020. In total, 2,102,732 warrants were used to subscribe for the same number of ordinary shares in the Company. Payment for the new ordinary shares has been received in cash in January 2021, with a total of SEK 4.0m and approximately SEK 35.7m were set-off against the Company's hybrid capital securities. The shares were issued after year-end.

At the end of the fourth quarter of 2020, hybrid capital securities having a nominal value of EUR 60.9m, net of issuance costs of EUR 8.5m have been reported as equity. Further detail is found in the table below.

Amounts in '000 (EUR)	31 Dec 2020
Hybrid capital securities at nominal amount upon initial subscription	65,732
First subscription period set-off	(2,354)
Second subscription period set-off	(2,516)
Hybrid capital securities at nominal amount as at end of reporting period	**60,862**

Amounts in '000 (EUR)	31 Dec 2020
Hybrid capital securities at nominal amount	60,862
Issuance costs	
Advisory costs, including financial, legal and assurance	(2,207)
Commission fees to guarantors	(6,293)
Total issuance costs	(8,499)
Hybrid capital securities disclosed as at end of the reporting period	**52,362**

28. BUSINESS COMBINATIONS

Following the Group's updated strategic direction and financial targets for 2021-2025, there will be no further investments within the Financial Services segment. On 23 December 2020, the Group sold 100% of its shares in its subsidiary Catena Media Financials US Inc. ("Hammerstone") held in the US, originally acquired on 12 June 2018, for a sale consideration of USD 1.5m.

Recognised goodwill of EUR 4.6m was fully impaired by 31 December 2019 as a result of the detailed impairment assessment carried out during 2019.

Details of disposed net assets are as follows:

	On disposal EUR '000
Consideration	1,224
Less	
Net asset value of intangible assets acquired	(100)
Accumulated retained earnings	(605)
Gain on disposal of subsidiary	**519**

29. EVENTS AFTER THE REPORTING PERIOD

Catena Media appoints new CEO

On 29 January 2021, Michael Daly was appointed as Group CEO effective 1 March 2021. Interim CEO Göran Blomberg resumed his position as Chairman of the Board and Öystein Engebretsen resumed the role of Board Member.

Mr. Daly has been in charge of Catena Media's US operations since April 2018 and during this time this market has grown into a highly profitable business. Prior to this role he held numerous positions within the iGaming and the Casino industry, such as Executive Vice President North America for GAN, CEO Automated Cash Systems, and Vice President Online Gaming SHFL Entertainment.

Issue of shares

On 29 January 2021, the Company announced that the number of shares and votes in the Company has increased by 2,102,732 due to the exercise pf Catena Media's warrants (CTM TO1) during the third warrant exercise period. Payment for the new ordinary shares was received in cash in January 2021, with a total of SEK 4.0m and approximately SEK 35.7m were setoff against the Company's hybrid capital securities.

Proposal to authorise the Company to acquire its own shares

The Board has proposed that the Annual General Meeting 2021 adopts a resolution allowing the Company to purchase its own shares to provide flexibility as regards the Company's possibilities to distribute capital to its shareholders and to promote more efficient capital usage in the Company. The authorization entails that the Company may acquire its own shares at one or several occasions until the Annual General Meeting 2022 pursuant to article 4 of the Company´s Articles of Association and in terms of section 106 of the Companies Act. The authorization is further subject to the following terms and conditions, (i) any acquisition of own shares shall take place exclusively on Nasdaq Stockholm, (ii) the authorization granted is given for a maximum period of eighteen (18) months from the date thereof, (iii) that the repurchased shares do not exceed ten (10) per cent of the Company´s total issued share capital and that the Company, in no event, repurchases more than 7,039,215 shares in the Company, (iv) the purchase price of the shares follows the pricing conditions set out in the authorization. Further, the authorization allows the Board to cancel any of the shares acquired and thereby reduce the share capital of the Company, and transfer, dispose and/or use the shares acquired for any purpose as it deems fit.

For more information regarding the proposal, refer to the press release published on 12 March 2021. https://www.catenamedia.com/release/notice-of-annual-general-meeting-2021-of-catena-media-plc/

Corporate governance report

Catena Media plc (the "Company" or "Catena Media") is a Maltese public limited liability company listed on Nasdaq Stockholm. The Company has its registered office in Malta. Given this legal and financial configuration, the governance, management and control of Catena Media is divided between the shareholders, the Board of Directors, the CEO and the rest of Group management in accordance with applicable laws, rules and instructions.

CORPORATE GOVERNANCE IN CATENA MEDIA

Good corporate governance is concerned with ensuring that the Company is managed as sustainably, responsibly and effectively as possible for all shareholders. The overall objective is to increase the value for shareholders and thereby meet the shareholders' requirements on invested capital. Achieving this objective requires decision-making that is effective and creates value through a clear distribution of roles and areas of responsibility. Governance, management and control in Catena Media are divided between the shareholders, the Board of Directors, the CEO and the rest of Group management in accordance with applicable laws, rules and instructions. The following statements on pages 62 to 70 have not been audited by the Company's auditor.

The foundation of the corporate governance structure of Catena Media comprises the Maltese Companies Act (Chapter 386 of the Laws of Malta), the Memorandum and Articles of Association, Nasdaq Stockholm's Rulebook for Issuers, the Swedish Corporate Governance Code (the "Code"), and other applicable rules and regulations. A description of Catena Media's corporate governance structure is available on the Company's website www.catenamedia.com, Nasdaq Stockholm's Rulebook for Issuers is available at www.nasdaqomxnordic.com, and the Code can be found at www.bolagsstyrning.se.

In addition to external governance instruments and the Company's Memorandum and Articles of Association, the Company also applies internal steering instruments for corporate governance, such as Rules of Procedure for the Board of Directors, instructions for the Board committees, CEO instructions, an internal Code of Conduct and several other policy documents, all of which have been prepared to improve and strengthen internal control within Catena Media. These documents are reviewed and approved annually by the Board of Directors of the Company.

THE SWEDISH CORPORATE GOVERNANCE CODE

Since listing on Nasdaq Stockholm's main market on 4 September 2017, the Company applies the Code in full. Accordingly, the Company has chosen not to apply the Maltese equivalent of the Code (the Code of Principles of Corporate Governance) set out in the Maltese Listing Rules, although it should be noted that the Maltese and Swedish codes of corporate governance share a number of similar or common principles.

The Code is based on the principle of "comply or explain". This means that a company that applies the Code can deviate from individual rules, but must then explain the reasons for the deviation. For the 2020 financial year, Catena Media does not report any deviations from the Code. No separate auditor's report on the corporate governance report is required under Maltese regulations, since the report has been prepared in line with the principles of the Swedish Code. The Board of Directors confirms that the Company adheres to the Code.

MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

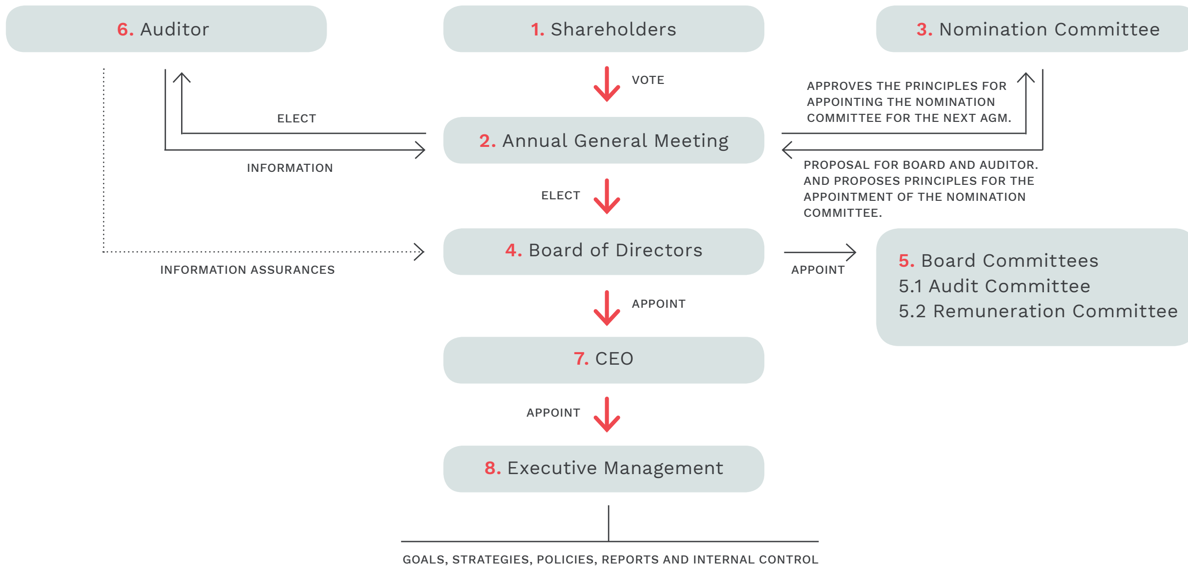
The Company's Memorandum of Association and Articles of Association were adopted by a General Meeting of the Company's shareholders and include provisions regarding what kind of business activities the Company is to conduct, limitations on the share capital and the number of shares, how notices to convene General Meetings shall be made, handling of matters during the General Meetings and where General Meetings shall be held, as well as the highest permitted number of Board members. In accordance with the Company's Articles of Association, a Board member appointment applies until the end of the first Annual General Meeting after the year the Board member was appointed, at which the respective Board member is eligible for re-election. The Board members are appointed through a General Meeting resolution passed with a simple majority of the votes represented at the General Meeting. In addition to this, the Board of Directors have a right to appoint new Board members in the Company under certain conditions in accordance with Article 58.1 of the Company's Articles of Association. A Board member's appointment can expire early if the Board member notifies that he/she wishes to resign, if the shareholders resolve to dismiss the Board member, or if a circumstance arises which prevents the Board member from serving in that capacity in accordance with Article 59.1 of the Company's Articles of Association. Such a dismissal shall not affect the remuneration requirements the Board member may have due to the Company's potential breach of contract. The shareholders may resolve to dismiss the Board member through a resolution at a General Meeting passed with a simple majority of the votes represented at the General Meeting. The Company may amend its Memorandum of Association and Articles of Association by an extraordinary resolution under Article 79 (1) of the Maltese Companies Act. In order to be valid, an amendment of the Articles of Association shall be adopted by an extraordinary resolution at a General Meeting passed by shareholders having the right to attend, and holding in aggregate not less than seventy-five percent in nominal value of the shares represented and entitled to vote at the General Meeting, and at least fifty-one percent in nominal value of all the shares entitled to vote at the General Meeting.

1. THE SHARE AND SHAREHOLDERS

Catena Media has been listed on Nasdaq Stockholm in the Mid Cap segment since 4 September 2017 and was prior to this listed on Nasdaq First North Premier Stockholm since February 2016.

As of 31 December 2020, the total number of shares and votes in the Company amounted to 68,289,412 with an aggregate nominal value of EUR 102,434.12. The Company had a total of 14,970 shareholders at the end of 2020. According to the share register kept by Euroclear Sweden AB (with changes subsequently known to the Company), the ten largest shareholders held a total of approximately 43.8 percent of the total number of shares and votes in the Company at the end of 2020 and the largest shareholder on that date was Second Swedish Pension Fund, with a participating interest of

CATENA MEDIA CORPORATE GOVERNANCE STRUCTURE



approximately 8.9 percent of the total number of shares and votes in the Company. In addition, there was no other shareholder that directly or indirectly owned more than 10 percent of the number of shares or votes in the Company.

The Company's Articles of Association authorise the Board to issue shares or grant options and/or warrants in relation to the Company's shares, at such times and on such terms as the Board thinks proper in any of the following cases: (a) if it is in the interest of the Company to issue shares to strategic investors in the Company; or (b) if the shares are to be issued as a means of payment to a seller of interests in a legal organisation or operations or business being acquired by the Company or any of its subsidiaries; or (c) the shares are to be issued as a means of payment to a creditor who accepts payment in kind in the form of shares of the Company; or (d) pursuant to the exercise of options, warrants or other instruments in relation to and pursuant to the terms of any employee or director incentive programmes established by the Company.

The total value of shares which the Board can issue, and the value of options and/or warrants in respect of shares which can be granted, is capped at the maximum value of the Company's authorised share capital (currently set at €200,000). Furthermore, the Directors cannot issue more than 10% of the issued shares of a particular class, in any given 12-month period. This authorisation to the Directors is valid until the date of the 2021 Annual General Meeting, and the Company in general meeting may by ordinary resolution renew this permission for further maximum periods of 5 years each. Read more about the Company's share and ownership structure on the Company's website, www.catenamedia.com.

2. GENERAL MEETING

The General Meeting of shareholders is Catena Media's highest decision-making body, where the shareholders exercise their influence in the Company. Every year, the Company shall hold an Annual General Meeting in addition to any extraordinary General Meetings that are held during the year. Article 16.1 of the Company's Articles of Association states that an Annual General Meeting shall be held once a year at the point in time (within a period of no more than 15 months after the most recent Annual General Meeting) that the Board sees fit.

All General Meetings shall be held in Stockholm or in Malta, in accordance with the decision of the Board of Directors.

An extraordinary General Meeting may be convened by the Board of Directors under Article 17.1 of the Articles of Association. In addition, the Board of Directors is bound to convene an extraordinary General Meeting at the request of one or more shareholders who, as of the date of the submission of the request, holds at least 10 percent of the share capital in the Company, under Article 129 of the Maltese Companies Act. This request must state the objectives of the meeting, must be signed by the shareholder(s) concerned, and is to be submitted to the Company's registered address. If the Board does not convene an extraordinary General Meeting within 21 days of the date of submission of such a request, the shareholder(s) concerned may convene an extraordinary General Meeting within three months of the date that the original request was submitted to the Company.

Article 18 in the Company's Articles of Association states that convening notices to Annual or extraordinary General Meetings shall as a main rule be issued at least 21 days before the meeting is held. The convening notice shall be published on the Company's website and information that a convening notice has been issued shall also be announced in Dagens Industri, the Swedish business daily. The convening notice shall announce the General Meeting's agenda. The convening notice shall also contain information on time, place and date of the meeting. According to Article 19.1 of the Articles of Association, in the convening notice for the General Meeting, the Company shall state that only shareholders registered in the shareholder register at a certain record date shall have the right to participate in and vote at the General Meeting. A shareholder who wants to be represented at the General Meeting by a proxy must issue a written signed authorisation in accordance with the authorisation form available in the Company's Articles of Association (Article 42.5) and published on the Company's website for each General Meeting. In a vote at the General Meeting in the Company, every share entitles the holder to one vote and each person entitled to vote can vote for the full number of shares represented. However, shareholders entitled to more than one vote do not need to use all of their votes or vote in the same way with all of their shares.

The Annual General Meeting passes resolutions on, among other things, the adoption of the previous year's balance sheet and income statement, dividends, the election of Board members and auditors, remuneration of Board members and auditors, how the Nomination Committee is appointed, guidelines for remuneration of the CEO and the rest of Group management.

One or more shareholders who together hold 5 percent or more of the share capital have a right to demand that a matter be taken up on the agenda for the General Meeting, on condition that such a matter is justified or contains a proposed resolution, and present proposed resolutions for matters taken up on the agenda for the General Meeting. A shareholder who wants to have a matter taken up on the agenda, or who submits a proposed resolution regarding matters included on the agenda, shall send a request to the Company no later than 46 days before the day of the General Meeting in, under Article 19.5 of the Articles of Association of the Company. Resolutions at a General Meeting are usually passed with a simple majority of votes represented at the Meeting. However, in accordance with the Maltese Companies Act and the Company's Articles of Association, certain resolutions require approval by a higher percentage of the votes and votes represented at the General Meeting.

2020 Annual General Meeting

The 2020 Annual General Meeting took place in Stockholm, Sweden on 15 May. Among other things, the Annual General Meeting passed resolutions (i) to adopt the Company's consolidated financial statements and the Administration Report and audit report, (ii) to re-elect Öystein Engebretsen, Theodore Bergquist, Per Widerström and Göran Blomberg and to elect Adam Krejcik and Marcus Lindqvist as Board members, (iii) that remuneration to the Board members shall be paid as follows: EUR 90,000 to the Chairman of the Board and EUR 40,000 to each of the other Directors, (iv) that the Company's committees should receive remuneration as follows: EUR 12,500 to the Chairman and EUR 6,250 to the other members of the Audit Committee; and EUR 6,250 to the Chairman and EUR 3,125 to the other members of the Remuneration Committee, (v) to re-elect PricewaterhouseCoopers Malta as the Company's auditor, (vi) to approve the Nomination Committee's proposal on principles for appointment of the Nomination Committee for the 2021 Annual General Meeting, (vii) to approve the Board's proposal on guidelines for remuneration of senior executives, (viii) to introduce a new incentive programme for key persons within the Catena Media Group based on share options or warrants, and (ix) to change the Company's Articles of Association. Minutes from the 2020 Annual General Meeting and documents associated therewith are available on Catena Media's website, www.catenamedia.com.

Extraordinary General Meeting

There were two Extraordinary General Meetings held during the year.

Extraordinary General Meeting 10 June 2020

Rights Issue

On 17 April 2020, the Board of Directors of the Company proposed that the Company should carry out a fully guaranteed rights issue of units (the “Units”) consisting of hybrid capital securities (the ”Capital Securities”) and warrants (the “Warrants”) with preferential rights for the Company's existing shareholders (the “Rights Issue”). One (1) Unit consisted of one (1) Capital Security and six (6) Warrants, and the subscription price for one (1) Unit was SEK 100. The Extraordinary General Meeting held on 10 June 2020 resolved to approve the Board of Directors' proposal on the Rights Issue. In total, 6,840,971 Units were issued as part of the Rights Issue meaning that the Company received approximately SEK 684 million, before deduction of transaction related costs.

The Warrants entitle each holder to subscribe for one share in the Company at a subscription price of SEK 18.9. The Warrants may be exercised for subscription of shares on a quarterly basis during a subscription period of ten (10) days commencing on the day following the publication of each of the Company's quarterly reports. The last time to exercise the Warrants will, subject to the terms and conditions of the Warrants, be during the subscription period following the publication of the interim report for the second quarter of 2024. The Capital Securities are subordinated perpetual capital securities with ISIN SE0014262192, denominated in SEK, each with a nominal amount of SEK 100 and with a total nominal amount of approximately SEK 684 million. The Capital Securities carry interest in the form of floating rate 3-month STIBOR plus a margin of 8.00 percent per annum paid quarterly in arrears until the first redemption date, which occurs five (5) years after the issue date, and thereafter, the margin increases to 11.00 percent per annum. Interest payments may be deferred at the choice of the Company.

Directed issue of Warrants

The Extraordinary General Meeting also resolved to issue a maximum of 5,269,949 Warrants to certain guarantors of the Rights Issue as payment of commission for their guarantee commitments, and to waive the shareholders' pre-emption rights with respect to such issue.

Other resolutions

In addition, the Extraordinary General Meeting also resolved to, inter alia, amend the Company's articles of association in light of Directive (EU) 2017/828 (Shareholder Rights Directive II).

Extraordinary General Meeting 24 June 2020

The Extraordinary General Meeting held on 24 June 2020 resolved to amend Article 7 of the Company's articles of association (authority for the Board of Directors to issue shares). Pursuant to the resolution, the Board of Directors was authorised, in certain specified cases, to issue shares or grant warrants or options in relation to shares up to 10 percent of the number of issued shares in the Company on a rolling 12-month basis and was also authorised to restrict or withdraw the pre-emption rights of shareholders in respect of any such issuance. The authorisation is valid until the Annual General Meeting of 2021, and may be renewed by the general meeting by an ordinary resolution for further maximum periods of five years each. Amendment to the terms and conditions of the bonds 2018/2021 On 17 April 2020, Catena Media initiated a written procedure to amend the terms and conditions of the Company's outstanding bonds with ISIN SE0010832154. The amendments included, inter alia, an extension of the final redemption date by a year until March 2022, addition of a mandatory partial prepayment of EUR 49.5 million in aggregate and voluntary partial prepayments of up to EUR 6 million in aggregate per quarter, an extension of the call structure, removal of possibility to issue subsequent bonds, inclusion of certain transaction security, removal of possibility to incur and provide security for external bank debt as well as amendments to the distributions undertaking to allow for dividend and interest payments under the Capital Securities. The proposed amendments to the terms and conditions for the bonds were conditional upon the successful completion of the Rights Issue (the “Condition”). On 7 May 2020, the Company announced that a requisite majority of the voting bondholders voted in favour of the request to amend the terms and conditions for the bonds. The amended terms and conditions for the bonds became effective as of 29 June 2020, on which date the Condition was fulfilled.

2021 Annual General Meeting

The 2021 Annual General Meeting will be held at 10:00 am on 12 May 2020 at Tändstickpalatset, Västra Trädgårdsgatan 15, Stockholm, Sweden. Due to the recent spreading of the COVID-19 virus, shareholders should carefully consider the possibility of participating via a proxy or agent. The notice convening the Annual General Meeting will be published through a press release, announced in Dagens Industri and published on Catena Media's website, www.catenamedia.com, together with associated documents.

3. NOMINATION COMMITTEE AND ITS WORK

The 2020 Annual General Meeting passed a resolution on the principles for the appointment of Catena Media's Nomination Committee as follows: The Nomination Committee shall have four members. The three largest shareholders/shareholder groups by votes in the Company as of 31 August, the year before the Annual General Meeting is held, are entitled to appoint one member each. The largest shareholders in terms of votes shall be determined on the basis of a list of registered shareholders provided by Euroclear Sweden AB. In addition, the Chairman of the Board shall be appointed to be a member of the Nomination Committee.

The CEO or another person from the Group management shall not be a member of the nomination committee. The Chairman of the Board shall convene the largest shareholders in the Company no later than 15 October. If such a shareholder refrains from the right to appoint a member to the Nomination Committee, the next shareholder/owner group by size shall be provided the opportunity to appoint a member to the Nomination Committee. The composition of the Nomination Committee is to be announced at least six months before the Annual General Meeting. The Chairman of the Board shall convene the first meeting of the Nomination Committee. However, the Chairman of the Board shall not be appointed as the Chairman of the Committee. If it becomes known that one of the shareholders who appointed a member to the Nomination Committee is no longer one of the largest owners due to changes in the owner's shareholdings or changes in other owners' shareholdings, the member the shareholder appointed, if the Nomination Committee so decides, shall withdraw and be replaced by a new member appointed by the shareholder who at that time is the largest registered shareholder who has not yet appointed a member to the nomination committee. If the registered ownership structure otherwise materially changes before the Nomination Committee's assignment has been completed, a further change in the composition of the Nomination Committee shall be made, if the Nomination Committee so decides, according to the principles stated above.

The Nomination Committee submits proposals regarding the number of Board members, remuneration of the Chairman of the Board and other Board members, as well as the auditor, any remuneration for committee work, the Board's composition, the Chairman of the Board, decisions regarding the appointment of the Nomination Committee, the Chairman of the Annual General Meeting, and the election of auditors. The Nomination Committee's proposed resolutions are published in the notice convening the Annual General Meeting, on the Company's website and during the Annual General Meeting. Information on how to submit proposals to the Nomination Committee is available on the Company's website, www.catenamedia.com.

The Nomination Committee's composition for the 2020 Annual General Meeting was published on 4 November 2020 and until 7 January 2021 consisted of the following members: Göran Blomberg (Chairman of the Board of Directors of the Company), Ulrika Danielsson (Second Swedish National Pension Fund), Nicklas Paulson (representing Investment AB Öresund), and Jake Hennemuth (representing Ruane Cuniff & Goldfarb). Ulrika Danielsson was announced as the Chairman of the Nomination Committee.

On 7 January 2021 Chairman of the board Göran Blomberg was announced as the interim CEO of the company and was therefore replaced by Öystein Engebretsen in the Nomination Committee on that date.

The Nomination Committee held four meetings for the 2021 Annual General Meeting. No remuneration has been paid for the work in the Nomination Committee.

4. BOARD OF DIRECTORS

In accordance with the Company's Memorandum of Association, Catena Media's Board of Directors shall comprise at least three and at most seven members. The Board currently consists of seven members elected by the Annual General Meeting on 15 May 2020 for the time until the end of the 2021 Annual General Meeting. In accordance with the resolution by the 2020 Annual General Meeting, the Board consists of Göran Blomberg (Chairman), Öystein Engebretsen, Per Widerström, Adam Krejcik, Marcus Lindqvist and Theodore Bergquist, Adam Krejcik and Marcus Lindqvist were elected at the Annual General Meeting for the first time, the remainder of the Board members were re-elected from the previous year. More information on the Board members, such as experience, education, other appointments and shareholdings are available on pages 71-72 of this annual report. At the end of 2020, the Board had no female members and six male members.

The Board of Directors is responsible for the Company's organisation and management of the Company's affairs, which includes responsibility for preparing overall, long-term strategies and targets, budgets and business plans, adoption of guidelines on how the Company's activities create long-term value, reviewing and approving accounts, making decisions on issues concerning investments and sales, capital structure and

BOARD MEMBER ATTENDANCE AT BOARD AND COMMITTEE MEETINGS 2020

NAME	Board meetings	Remuneration Committee	Audit Committee
Kathryn Moore Baker	6/18	N/A	4/8
Cecilia Qvist	7/18	N/A	N/A
Mats Alders	7/18	N/A	4/8
Øystein Engebretsen	18/18	3/3	4/8
Göran Blomberg	18/18	N/A	4/8
Per Widerström	18/18	3/3	N/A
Theodore Bergquist	17/18	N/A	4/8
Adam Krejcik	11/18	N/A	N/A
Marcus Lindqvist	11/18	N/A	N/A

dividend policy, development of the Group's policies, ensuring that control systems exist for the follow-up of compliance with policies and guidelines, ensuring that systems exist for the follow-up and control of the Company's activities and risks, significant changes in the Company's organisation and operations, appointing the Company's CEO, and setting the salary and other remuneration of the CEO. The Chairman of the Board is responsible, among other things, for ensuring that the Board's members, through the efforts of the CEO, continuously receive the information necessary to monitor the Company's position, performance, liquidity, financial planning and development. It is incumbent on the Chairman of the Board to complete assignments decided by the General Meeting regarding the establishment of the Nomination Committee and participating in its work. In close cooperation with the CEO, the Chairman of the Board shall monitor the Company's performance and prepare and Chairman the Board meetings. The Chairman of the Board is also responsible for ensuring that the Board of Directors annually evaluates its own work and that the Board receives adequate information to perform its work in an effective manner. The Board's work is governed, among other things, by the Maltese Companies Act, the Memorandum of Association, the Articles of Association, the Code, and the Rules of Procedure for the Board of Directors. The Board meets according to an annually predetermined schedule. In addition to these meetings, additional Board meetings may be convened to address issues that cannot be postponed to the next ordinary Board meeting.

Independence of the Board

Six out of six Board members are independent in relation to the Company and its management. Six out of six Board members are independent of the Company's major shareholders. With this Board composition, the Board of Directors of Catena Media complies with the Code's requirements for independence of Board members, since the majority of the Board members are independent of the Company and the Company's management, and at least two of them are also independent in relation to the Company's major shareholders. All Board members and members of Group management have undergone Nasdaq Stockholm's training regarding stock exchange rules.

The Board's work in 2020

The Rules of Procedure for the Board states which items must always be on the agenda at the Board's meetings. In 2020, the Board held 32 minuted meetings, of which 14 were resolutions in writing, (per capsulam meetings). All of the meetings held during the year followed an agenda that was provided to Board members ahead of the meeting, together with relevant documentation for each point on the agenda. The CEO and the Company's General Counsel, in her capacity as the Board's secretary, also participated in the Board meetings.
The CEO reports on operating profit at each ordinary Board meeting and the CFO reports on financial performance. In addition to this, the CFO, senior executives and, when necessary, the Company's auditors, hold presentations on various special areas.

Evaluation of the work of the Board

The work of the Board of Directors of Catena Media is evaluated annually with the aim of both developing the Board's activities and creating a basis for the Nomination Committee's evaluation of the Board's composition. The evaluation of the Board in 2020 took place by the members completing a questionnaire drawn up by the Chairman of the Board. An anonymised compilation of the questionnaires was presented to the Nomination Committee in December 2020 and to the Board of Directors in connection with the ordinary Board meeting held in December 2020.

Remuneration of the Board

Remuneration and other benefits to the Board and the Chairman of the Board, including Board committees, are decided by the Company's shareholders at the General Meeting. At the Annual General Meeting on 15 May 2020, in accordance with the proposal from the Nomination Committee, it was decided that the remuneration to the Board should be EUR 90,000 to the Chairman of the Board and EUR 40,000 to each of the other Board members. The Annual General Meeting also resolved that remuneration of the Board's various committees, for the period until the next Annual General Meeting, shall be as follows:

- EUR 12,500 to the Chairman of the Audit Committee and EUR 6,250 to the other members.
- EUR 6,250 to the Chairman of the Remuneration Committee and EUR 3,125 to the other members.

Board info

Kathryn Moore Baker, Mats Alders and Cecelia Qvist declined re-election as board members at the 2020 AGM (14 May 2020) and Öystein Engebretsen, Göran Blomberg, Per Widerström Theodore Bergquist and Adam Krejcik and Marcus Lindqvist were elected as directors.

Remuneration Committee Composition

- Öystein Engebretsen (Chairman of the committee) and Per Widerström.

Audit Committee Composition

- Mats Alders (Chairman of the committee), Kathryn Moore Baker and Göran Blomberg (1 January 2020 - 15 May 2020)
- Göran Blomberg (Chairman of the committee), Theodore Bergquist, and Marcus Lindqvist. (15 May 2020 - 31 December 2020).

Board Info

- Kathryn Baker, Cecilia Qvist and Mats Alders declined re-election as board members at the 2020 AGM (15 May 2020) and Adam Krejcik and Marcus Lindqvist were elected as directors.

Remuneration Committee Composition

- Øystein Engebretsen (chairman of the committee) and Per Widerström. 1 January 2020 - 31 December 2020

Audit Commmittee Composition

- Mats Alders (chairman), Kathryn Baker and Göran Blomberg 01 January 2020 - 15 May 2020
- Göran Blomberg (Chairman), Theodore Bergquist and Marcus Berqgvist 15 May 2020 - 31 December 2020.

REMUNERATION OF BOARD MEMBERS DURING THE 2020 FINANCIAL YEAR

BOARD MEMBER	Director's fee (EUR)	Remuneration for Remuneration Committee (EUR)	Remuneration for Audit Committee (EUR)	Total Remuneration (EUR)
Kathryn Moore Baker (Chair of the Board)	33 750	N/A	2 344	36 094
Cecilia Qvist	15 000	N/A	N/A	15 000
Mats Alders	15 000	N/A	4 687	19 687
Øystein Engebretsen	40 000	6 250	0	46 250
Göran Blomberg	56 250	N/A	7 813	64 063
Per Widerström	40 000	3 125	N/A	43 125
Theodore Bergquist	40 000	N/A	3 906	43 906
Adam Krejcik	25 000	N/A	N/A	25 000
Marcus Lindqvist	25 000	N/A	3 906	28 906

5. BOARD COMMITTEES

The Board has established two committees, the Audit Committee and the Remuneration Committee, with the aim of structuring, streamlining and assuring the quality of work in these areas. The committees' members are appointed annually by the Board at the first Board meeting after the Annual General Meeting.

Audit Committee

The Audit Committee shall consist of at least three members. The members of the Audit Committee may not be employees of the Company. The Audit Committee's members up until the Annual General Meeting 2020 consisted of Mats Alders (Chairman), Kathryn Moore Baker and André Lavold. Göran Blomberg replaced Mats Alders as the Chairman of the Audit Committee after the Annual General Meeting of 2020 and Marcus Lindqvist and Theodore Bergquist joined as members of the Audit Committee on the same date.

Among other things, the Audit Committee shall fulfil the following tasks:

- Monitoring the Company's financial reporting and submitting recommendations and proposals to ensure the reliability of the reporting.
- Annually monitoring risks and risk management with regard to the financial reporting, including monitoring the efficiency of the Company's internal control and evaluating the routines for accounting and reporting to enable reliable financial reporting.
- Keeping informed of the audit of the annual report and the consolidated financial statements and of the conclusions of the Supervisory Board of Public Accountants' quality control, and maintaining continuous contact with the Company's accounting department, with the aim of facilitating the audit.
- Informing the Board of the results of the audit and of the manner in which the audit contributed to the reliability of the financial reporting, and what function the committee had.
- Identifying and evaluating risks in operations and reviewing how management handles them.
- Reviewing and monitoring the auditor's impartiality and independence and paying particular attention to whether the auditor provides services other than auditing to the Company.
- Assisting in the preparation of proposals for the General Meeting's resolutions regarding election of auditors.

The Company's employees and auditors can be summoned to the committee's meetings to provide detailed information on specific reports or questions. The committee's meeting minutes are archived and available to all Board directors. The committee's Chairman reports to the Board at the Board meetings regarding the issues discussed and presented at the committee's meetings. According to its established formal instructions, the Audit Committee meetings shall be held at least five times annually. The Chairman of the Audit Committee can convene additional meetings if required. The Audit Committee held eight minuted meetings in 2020.

Remuneration Committee

According to the Code, the members of the Remuneration Committee must be independent of the Company and Company management. The Board's Remuneration Committee continuously evaluates the senior executives' remuneration terms in light of current market conditions. The committee prepares matters in these areas for Board decisions.

The Remuneration Committee has at least two members who can be appointed by the Board annually. During 2020 the Remuneration Committee consisted of Öystein Engebretsen/ (chairman) and Per Widerström.

Among other things, the Remuneration Committee shall fulfil the following tasks:

- Preparing the Board's decisions in matters concerning principles of remuneration, compensation and other terms of employment for Group management.
- Monitoring and evaluating ongoing programmes and pro-grammes concluded during the year for variable remuneration for Company management.
- Monitoring and evaluating the application of the guidelines for remuneration of senior executives, as resolved by the Annual General Meeting and applicable remuneration structures and levels in the Company.

The committee's meeting minutes are archived and available to all Board directors. The committee's Chairman reports to the Board at the Board meetings regarding the issues discussed and presented at the committee's meetings. According to its established formal work plan, the committee shall meet at least twice a year. The Remuneration Committee held ten minuted meetings in 2019, of which seven were resolutions in writing (per capsulam).

6. AUDITORS

The Annual General Meeting elects the Company's auditors. At the Annual General Meeting on 15 May 2020, Pricewaterhouse-Coopers Malta was re-elected as the Company's auditors for the time until the 2021 Annual General Meeting. Romina Soler, Authorised Public Accountant and member of the Malta Institute of Accountants, is the engagement leader. The auditor has the task of auditing Catena Media's annual report on behalf of the shareholders and making a statement on whether or not the annual report provides a true and fair view, according to IFRS as adopted by the EU and the requirements according to the Maltese Companies Act. In connection with the interim financial report for the third quarter, the auditors also conduct a review according to ISRE 2410. Remuneration to the auditors shall, in accordance with a resolution passed at the 2020 Annual General Meeting, be payable in accordance with approved invoices.

7. CEO AND GROUP MANAGEMENT

CEO

The CEO is subordinate to the Board of Directors and is responsible for the Company's ongoing management and the operation of the Company. The division of work between the Board and the CEO is set forth by the Rules of Procedure for the Board and the CEO instructions. The CEO is responsible for leading operations in accordance with the Board's guidelines and instructions, and providing the Board information and necessary decision input. The CEO appoints the members of Group management, leads its work and makes decisions after consulting with its members. The CEO is also a presenter at Board meetings and shall ensure that Board members are continuously sent the information needed to monitor the Company's and Group's position, performance, liquidity and development. The CEO's work is continuously evaluated by the Board in accordance with the requirements of the Code.

From 4 June 2018 until 7 January 2021, Per Hellberg was the CEO of the Company. For further information on the CEO's education, professional experience and Company holdings, please refer to page 73 in this annual report and the Company's website, www.catenamedia.com.

Group Management

In the beginning of 2020, Group management consisted of Per Hellberg (Chief Executive Officer), Johannes Bergh (Deputy Executive Officer), Erik Edeen (interim Chief Financial Officer), Fiona Ewins Brown (Chief Human Resources Officer), Richard Gale (Vice President Sport) and Nigel Frith (Vice President Financial Services).

On 21 January 2020 Chris Welch replaced Richard Gale as Vice President Sports and also joined the executive management team. On 3 February 2020 Hamish Brown joined the company as Vice President Casino and at the same time joined the executive management team. On 1 April 2020 Peter Messner joined the company as Group CFO and replaced Erik Edeen on the executive management. On 6 April Michael Daly (Vice President North America) and Nikola Teofilovic (Vice President AskGamblers) joined the executive management. Johannes Bergh (Deputy Executive Officer) resigned in April 2020 and left the company on 2 July 2020. For further information on, among other things, Group management's education, professional experience and holdings in the Company, please refer to page 73 in this annual report and the Company's website, www.catenamedia.com.

Guidelines for remuneration of the CEO and Group management

On 15 May 2020, the Company's Annual General Meeting resolved to approve a set of guidelines on the remuneration of senior executives in the Company, which guidelines apply until the 2024 Annual General Meeting. The guidelines, which specifically regulate the compensation and conditions of employment for the CEO and the other members of Group management (currently eight persons), are designed to ensure that the Company is in a position to recruit and retain executives with the right set of skills. To this end, the guidelines provide that the remuneration of the CEO and the other members of Group management include a fixed salary as well as possible variable remuneration.

Fixed salary – The guidelines require fixed base salaries to be attractive in comparison with the market and to be based on the executive's competence, experience and performance, and to be reviewed annually.

Variable remuneration – The guidelines require the variable component of remuneration to have a set maximum and to be linked to predetermined and measurable criteria, designed to promote the Company's long-term value creation. Furthermore, if any variable remuneration in cash has been paid out on the basis of information that later proves to be manifestly misstated, the Company must have the possibility of reclaiming such remuneration. In the event that the Company's earnings before taxes are negative, no variable remuneration is to be paid out.

CEO's variable remuneration – the guidelines cap the CEO's variable remuneration at 100 percent of his/her annual base salary; and his/her variable remuneration must be based on individual goals set by the Board of Directors. Examples of such goals are the results of the business, quality objectives and the development of the business. In addition, upon termination by the Company, the CEO is entitled to a maximum of six months' salary as severance pay.

Variable remuneration of other members of Group management – the variable remuneration of other members of Group management is capped at 70% of their respective annual base salaries and is to be based on results within the executive's area of responsibility, as well as the outcome of individual goals. Members of Group management may also receive other customary benefits such as health care, housing allowances, etc. In addition to their fixed monthly salary during their notice period, members of Group management are also entitled to a maximum of three months' base salary as severance pay.

The guidelines also allow the Board to propose that the shareholders approve share-based, long-term, incentive programmes for Group management from time to time. The Board of Directors may deviate from the guidelines in individual cases and special circumstances. If this is the case, the reasons for the deviation are to be reported at the next Annual General Meeting.

Internal control and risk management

INTRODUCTION

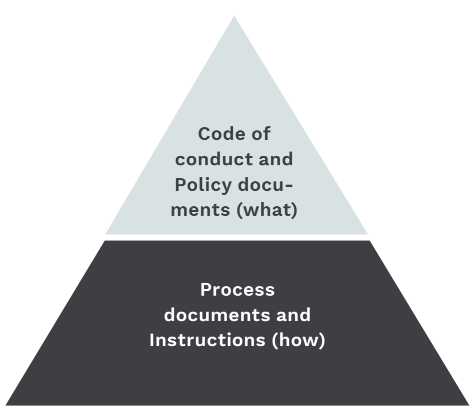
The objective of internal control is to achieve an effective organisation that achieves the goals set by the Board of Catena Media. This means ensuring with reasonable certainty that the Company's business is carried out correctly and efficiently, and ensuring correct and reliable financial reporting in accordance with applicable rules and laws. Catena Media has chosen to structure internal control within the established COSO framework for internal control: control environment, risk assessment, control activities, information and communication, and monitoring and follow-up.

CONTROL ENVIRONMENT

Catena Media's control environment is based on the division of work between the Board, Board committees and the CEO, as well as the values that the Board and Group management communicate and base their work on. To retain and develop a control environment, to comply with applicable rules and regulations, and to ensure that the desired way of carrying out business is implemented in the entire Group, the Board, as the topmost responsible body, has established a number of fundamental documents of significance to risk management and internal control, including steering documents, policies, procedures and instructions. These documents include the Rules of Procedure of the Board of Directors, CEO instructions, instructions for financial reporting, and the Group's code of conduct and insider policy.

Policies, procedural descriptions and instructions are distributed to affected employees in the Group and signed by employees through the Group's compliance platform. It is mandatory for all employees in the Group to read, understand and sign off on Company policies and to comply with the Group's code of conduct. Employees also conduct regular tests to ensure that they are familiar with the content of relevant policies, procedural descriptions and instructions.

Steering documents are defined as follows:



RISK ASSESSMENT

Catena Media has developed a process for risk assessment where the Company annually carries out a risk analysis and risk assessment. Risks are identified and categorised as follows:

- Strategic risks
- Operational risks
- Financial risks
- Risks regarding compliance with rules and regulations

The goal of the risk analysis is to identify the greatest risks that can prevent the Company from achieving its objectives or fulfilling its strategy. Another goal is to evaluate these risks based on the likelihood of them arising during upcoming periods and the degree to which risks could affect the Company's objectives if they were to occur.

Each individual risk has a "risk owner" in the organisation with a mandate and responsibility to ensure that measures and controls are in place in order to counteract the risk. The risk owner is also responsible for monitoring, following up and reporting changes in the Group's exposure to identified risks.

Group management reports identified risks to the Audit Committee. Through the Audit Committee, the Board evaluates the Group's risk management system and related procedures, including risk assessments in an annual risk report, where the top 20 risks are reviewed in detail. This is to ensure that material risks are managed and that controls are implemented to counteract identified risks.

The Company's management considers the greatest operational risk to be related to changes in the regulatory and legislative environment that lead to changes in operators' (Catena Media's customers') marketing activities, which could affect growth and put commercial pressure on the Company.

CONTROL ACTIVITIES

The Company has established a risk management procedure that includes a number of key controls that must be established and work in the risk management processes. The control requirements are an important instrument that enables the Board to lead and evaluate information from Group management and to take responsibility for identified risks.

The Company focuses on mapping and evaluating the largest risks related to financial reporting to ensure that the Group's reporting is correct and reliable. One example of such a control is that the Group does an impairment test of intangible assets with the aim of assessing return and possible impairment requirements, at least on an annual basis.

INFORMATION AND COMMUNICATION

Internal communication with the Group's employees takes place, among other means, through newsletters, and formal policies and instructions are communicated to management and employees through a compliance platform, through which it is possible to ensure that all employees read, understand and sign off on the policies, procedures and instructions relevant to their assignments in the Group.

Such policies include those the Company uses to inform employees and others affected in the Group of the applicable laws and regulations on the distribution of information, and the special requirements on employees of a listed company regarding insider information, for example. Due to this, the Company has also established appropriate procedures for handling and limiting the spread of information that has not yet been announced to the public. The Company's CEO has, on behalf of the Board, been given the overall responsibility for managing issues concerning insider information and the Board has appointed the General Counsel as responsible for keeping the insider list.

The Company's IR function is led and monitored by the Company's CFO and Head of IR and Communications. The main tasks of the IR function are to support the CEO and the senior executives in relation to communication with capital markets. The IR function also works, together with the CEO, to prepare the Company's financial statements, General Meetings, capital market presentations and other regular reporting on IR activities.

MONITORING/FOLLOW-UP

Every year, a self-evaluation of the effectiveness of the key controls is conducted and a risk report is prepared that summarises the self-evaluations that have been carried out, and outlines possible deviations that must be addressed. This risk report is presented to the Board annually. The Board also receives reports on the Group's income, earnings and financial position every month, and the Group's quarterly reports, other financial reports and annual reports are always reviewed and approved by the Board before they are published. In addition, the Group's policies are subject to the Board's annual review.

Follow-up activities:

- Annual review and approval of policies by the Board
- Reporting of risk analysis once a year to the Board
- Annual reporting of self-evaluation
- Monthly/ongoing follow-up of financial statements

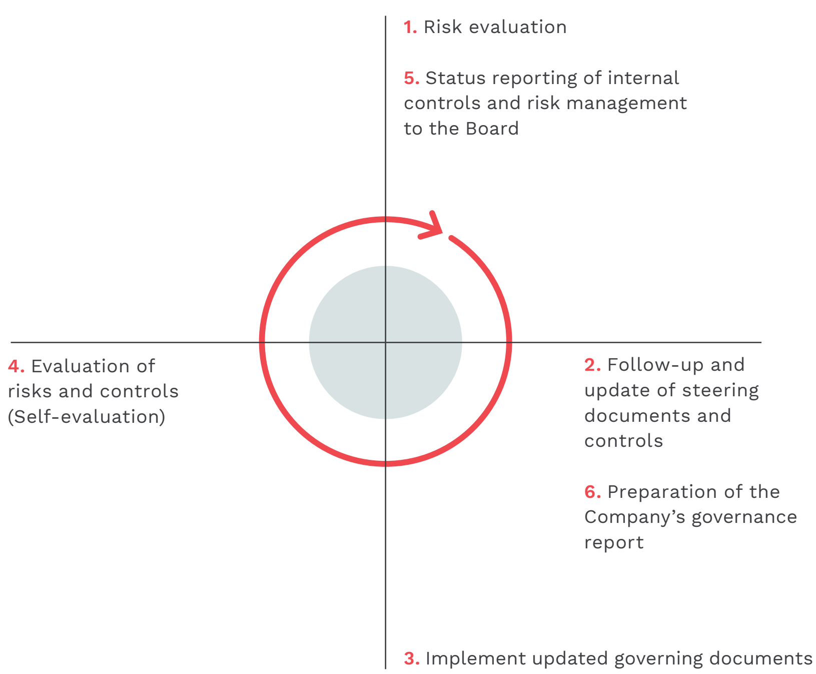
INTERNAL AUDIT

Catena Media has chosen not to establish a formal audit function in the Company, but rather opted to focus on implementing a process for identification of risks, establishment of controls and a self-evaluation of controls. The framework in itself, the results and the outcomes are reviewed by Group management and the Board. The head of each area and function in the Company has responsibility for carrying out the self-evaluation, and the Audit Committee is responsible, together with the Board, to monitor compliance with established principles for internal control. The Audit Committee is entitled to call for an external review of parts of the Group if deemed necessary. For external reviews, external advisers can be engaged to conduct the review, especially to obtain a second opinion, if necessary. The Company has a compliance function with rules and regulations in the legal team that liaises with the CEO and the Chairman of the Board.

ROLE DISTRIBUTION IN CATENA MEDIA – INTERNAL CONTROL AND RISK MANAGEMENT

ROLE	Responsibility
Board of Directors	Utmost responsible for reviewing risks and controls in the Company.
Audit Committee	Reports results from the audit meetings with the Board and initiates audits when necessary.
Remuneration Committee	Prepares the Board's decisions in issues concerning remuneration principles, remuneration and terms of employment for the CEO and Group management. The committee also has the task of evaluating and preparing proposals on incentive programmes.
Group Management	Operationally responsible for controls being in place to reduce identified risks. Ensuring that there are relevant steering documents that are implemented and ensuring that employees have adequate knowledge of internal control.
CFO	Operationally responsible for financial reporting, including ensuring adequate internal control for the financial statements.

RISK AND CONTROLS – ANNUAL CYCLE



GÖRAN BLOMBERG
Board member since 2 May 2019. Chairman since 15 May 2020.
Born: 1962 **Education:** Bachelor of Economics, University of Linköping. **Other assignments:** Board member ICA handlarnas Förbund. Senior advisor Expandia Moduler AB. **Work experience:** CFO Hakoninvest (publ), CFO RNB Retail and Brands (publ), CFO Pronyx (publ), Board member ICA Group, Board member Pronyx (publ), Board member Power IT (publ). **Own and closely associated holdings:** 66,000 Shares, 847,570 Warrants 2020/2024 (CTM T01) and 123,000 Capital Securities (CATME H01).

ØYSTEIN ENGEBRETSEN
Board member since 25 September 2018.
Born: 1980 **Education:** Master of Science in Business and Major in Finance at BI Norwegian School of Management in Oslo. **Other assignments:** Investment Manager at Investment AB Öresund. Board member of INSR Insurance Group ASA, Scandi Standard AB and Projektengagemang Sweden AB. **Work experience:** Board member of Investment AB Öresund. Corporate Finance at HQ AB. **Own and closely associated holdings:** 43,950 Shares, 42,498 Warrants 2020/2024 (CTM T01) and 7,083 Capital Securities (CATME H01). 17,500 shares and 2,400 Capital Securities are held through closely associated holdings. **Independence:** Independent of the Company, its senior management and the Company's major shareholders.

THEODORE BERGQUIST
Board member since 2 May 2019.
Born: 1970 **Education:** Studies in Economics on a bachelor level 1991-1994, Stockholm University (Stockholm). Exponential Innovation Program, Singularity University (San Francisco). **Other assignments:** Head of Group Analytics at Ericsson, Chairman RiotMinds AB, Chairman Torchlight Entertainment AB. **Work experience:** Director Digital Transformation at Ericsson, CEO at Nordic Native AB, CEO at Gamersgate AB, CEO and later Chairman of the Board of Directors at Paradox Interactive AB, Group CEO at Paradox Entertainment AB, CEO Nordics and Head of M6A Europe and Asia at Jupiter Communications. **Own and closely associated holdings:** (none)
Independence: Independent of the Company, its senior management and the Company's major shareholders.

PER WIDERSTRÖM
Board member since 2 May 2019.
Born: 1966 **Education:** B.Sc. Business Administration, Accounting & Finance, The Gothenburg School of Economics, M.Sc. International Accounting & Finance, The London School of Economics (LSE).
Other assignments: Director & Chairman Fortuna Entertainment Group N.V., Director Fortuna online zakłady bukmacherskie Sp., Director Fortuna Virtual d.o.o, Director Fortuna Game a.s., Director & Chairman Riverhill a.s., Director Fortuna SK, a.s., Nordnet AB, Nordnet Bank AB, Board member NNB Intressenter AB. **Work experience:** Group CEO Fortuna Entertainment Group, Managing Director & Chairman of the board at Gala Interactive, Chairman at Gala Coral Interactive, Chief Integration Officer & Group Games Director at bwin.party digital entertainment, COO at Partygaming, CEO at Expekt.com, VP & COO at Kyivstar (Telenor), and CEO at Telenor Mobile Sweden. **Own and closely associated holdings:** 42,470 Shares, 44,743 Warrants 2020/2024 (CTM T01) and 4,718 Capital Securities (CATME H01). **Independence:** Independent of the Company, its senior management and the Company's major shareholders.

ADAM KREJCIK
Board member since 15 May 2020.
Born: 1981 **Education:** B.A. in Economics from University of California Santa Barbara
Other assignments: Co-founder and Partner at Eilers & Krejcik Gaming, Partner at EKG Ventures, early-stage private investments in gaming & technology companies. **Work experience:** 2 years at Bank of America in Equity Research, 6 years at Roth Capital Partner in Equity Research. Past 8-years (co-founder and Partner) at Eilers & Krejcik Gaming, a boutique research and consulting firm focused on the Digital Gaming industry. **Own and closely associated holdings:** 15,625 shares

MARCUS LINDQVIST
Board member since 15 May 2020.
Born: 1970 **Education:** Associate´s degree in business administration from FEI in Stockholm.
Other assignments: Chairman of the board of directors CDON AB. **Work experience:** Past four years CEO at Qliro Group, Member of the board of directors Nelly NLY AB, Member of the board of directors Qliro AB (Qliro Financial Services). Previously served as Head Sweden & Products at Dustin. Prior to Dustin, he served as Country Manager for Sweden at Hewlett Packard's PC division, as well as Channel Director for the Nordics at DELL. **Own and closely associated holdings**: 12,000 Shares, 4,662 Warrants 2020/2024 (CTM T01) and 777 Capital Securities (CATME H01).

MICHAEL DALY

Hired April 24, 2018. Vice President North America April 2018 – February 2021. CEO as of 1 March 2021
Born: 1972 **Other assignments:** Board of Advisors – Context Networks. **Previous assignments:** General Manager – US: Catena Media; Executive Vice President: GAN; Chief Executive Officer: Automated Cash Systems; Vice President Online Gaming: SHFL entertainment; Lieutenant: U.S. Navy. **Education:** Massachuesetts Institute of Technology, University of Utah Eccles Business School. **Own and closely associated holdings:** 367,222 Share options/Warrants.

PETER MESSNER

Hired 1 April 2020. Group Chief Financial Officer (CFO)
Born: 1976 **Other assignments:** – **Previous assignments:** CFO MTGx (Modern Times Group MTG AB), Director Corporate Development and Acting CFO at Ongame Services AB, several management roles at bwin Interactive Entertainment AG. **Education:** PhD in Social and Economic Sciences from the University of Vienna, Austria, as well as a Master in Economics and Computer Science from Vienna University of Technology. **Own and closely associated holdings:** 100,000 Shares, 66,780 Warrants 2020/2024 (CTM T01), 12,621 Capital Securities (CATME H01) and 140,000 Share options/Warrants.

NIKOLA TEOFILOVIC

Hired 19 September 2016. Vice President AskGamblers
Born: 1976 **Other assignments:** Member of the board Plato Money Ltd. **Previous assignments:** More than twenty years of C-level experience in TIME (Telecom, Internet, Media and Entertainment) ranging from startups to blue chip companies. General Manager Catena Media Serbia, Chief Executive Officer Twintip Insights AB. **Education:** Harvard Business School Online, Uppsala University. **Own and closely associated holdings:** 25,000 Shares, 16,662 Warrants 2020/2024 (CTM T01), 2,777 Capital Securities (CATME H01) and 287,222 Share options/Warrants.

NIGEL FRITH

Hired 23 April 2018. Vice President – Financial Services and Business Optimisation
Born: 1972 **Other assignments:** – **Previous assignments:** General Manager Financial Services Catena Media, Global General Manager FXcompared.com LLC, Head of Consumer Finance Inspire Digital Ltd, Chief Executive Officer Simply Media Publishing LLC. **Education:** Oxford College ONC – Mechanical Engineering Diploma. **Shares:** – **Warrants/Share options:** 202,222 share options.

CHRIS WELCH

Hired 21 January 2020. Vice President – Sports
Born: 1964 **Other assignments:** – **Previous assignments:** CW Consulting, CEO PKR Technologies Ltd, CMO easyproperty (eProp Ltd), Group Director Poker (bwin.party digital entertainment PLC), CMO Partygaming Plc, MD Europe Centrebet Pty Ltd, MD LoudVision Marketing and PR (UK) Ltd, Group Marketing Director PokerStars, Marketing Director PinnacleSports, Marketing Director UK Coral Eurobet **Education:** BSc Management at Aston University Specialism in Marketing. **Own and closely associated holdings:** 155,000 Share options/Warrants

HAMISH BROWN

Hired 3 February 2020. Vice President – Casino
Born: 1972 **Other assignments:** – **Previous assignments:** Twenty years of gaming industry experience including with three Australian Gaming Machine Manufacturers. A decade of iGaming experience driving content development and distribution. Executive management in both private and public sector, driving growth and managing the rapid-scale of global businesses in highly regulated markets. Former GM, COO NextGen Gaming and COO NYX Gaming Group. **Education:** – **Shares:** (none) **Warrants/Share options:** 155,000 share options.

FIONA EWINS-BROWN

Hired 1 September 2015. Chief Human Resource Officer (CHRO)
Born: 1973 **Other assignments:** – **Previous assignments:** HR Director Catena Media, Human Resources Director and Talent Management Director at GFI Software Development Ltd. Human Resources Director at Morgan Stanley. **Education:** Human Resources Management, Seaforth College of TAFE and Charles Sturt University. **Shares:** 75,417 **Warrants/Share options:** 152,222 share options.

Independent auditor's report

To the Shareholders of Catena Media plc

Report on the audit of the financial statements

Our opinion

In our opinion:

- The Group financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the Group and the Parent Company's financial position of Catena Media plc as at 31 December 2020, and of the Group's and the Parent Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and

- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

Catena Media plc's financial statements, set out on pages 30 to 59, comprise:

- the Consolidated and Parent Company statements of comprehensive income for the year ended 31 December 2020;
- the Consolidated and Parent Company statements of financial position as at 31 December 2020;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

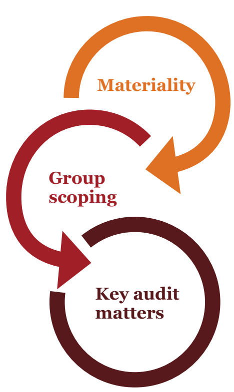
We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the Parent Company and its subsidiaries are in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

The non-audit services that we have provided to the parent company and its subsidiaries, in the period from 1 January 2020 to 31 December 2020, are disclosed in note 10 to the financial statements.

Our audit approach

Overview



- Overall group materiality: €1,370,000, which represents 5% of adjusted profit before tax

- All audit work was conducted by the same audit team in Malta, given that the Group's accounting processes are primarily centralised at its head office in Malta.

- Recoverability of trade receivables
- Impairment assessment - Goodwill & Other Intangible assets

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Independent auditor's report - continued

To the Shareholders of Catena Media plc

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	€1,370,000
How we determined it	5% of adjusted profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax because, in our view, it is a benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. Profit before tax was adjusted to exclude the volatility of fair value losses on the bond liability. We chose 5%, which is within a range of quantitative materiality thresholds that is considered to be acceptable.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €70,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Recoverability of trade receivables As at 31 December 2020, trade receivables amounted to €14.4 million, net of a loss allowance of €5.9 million, as disclosed in note 19. The Group applies the IFRS 9 simplified approach to measuring the expected credit loss allowance for trade receivables. The Group establishes the risk of default using available quantitative information, as adjusted for qualitative factors based on judgement due to the limited historical experience. During 2020, the Group recognised a loss allowance on trade receivables amounting to €2.7 million in the Statement of Comprehensive Income. Further information is provided in notes 4 and 19 to the financial statements. The inherent uncertainty in the judgement required, as well as the magnitude of the Group's trade receivables, resulted in this matter being identified as an area of audit focus.	We evaluated the suitability and appropriateness of the methodology applied by management in establishing the loss allowance. As part of this process, using audit knowledge gained from considering historical experience and the analysis of overdue receivables, we challenged management on the judgements made as part of the impairment assessment. The calculation underlying the loss impairment assessment was re-performed in order to check for accuracy, and data utilised in management's analysis was tested against accounting records. The appropriateness of disclosures made in relation to the loss allowance assessment for trade receivables was also considered. Based on the work performed, we found the recorded loss allowance to be consistent with the explanations and evidence obtained.
Impairment Assessment - Goodwill & Other Intangible Assets Goodwill with a carrying amount of €7.3 million, and other intangible assets, having a carrying amount of €278 million as at 31 December 2020, have primarily arisen from a number of acquisitions made during preceding financial years. Domains and websites have an indefinite useful life, and are assessed for impairment. Those domains which are considered as 'retired' products, are amortised over a period of 8 years. An assessment is required annually to establish whether goodwill and intangible assets that have an indefinite useful life should continue to be recognised, or if any impairment is required. The assessment was performed at the lowest level at which Catena Media could allocate and assess impairment, which is referred to as a cash generating unit ("CGU"). As from 2019, management considers that the Group operates three CGUs, being sportsbook, casino and financial services, in line with the basis for the Group's segment reporting, as further described in note 7. The impairment assessment relied on value-in-use calculations based on the estimated future free cash flow to be generated by Catena, discounted to present value at an appropriate discount rate. The cash flow projections were based on the Group's budget for 2021, the Group's strategy for 2022-2025, and an annual growth rate of 2% for all CGUs beyond that period. Management's projections consider the Group's strategy for initiatives in casino and sports segments, in terms of new markets and further expansion in certain existing markets, which have led to higher growth assumptions. On this basis, the Group concluded that impairment should not be recognised. Further information is provided in notes 4 and 15 to the financial statements. The underlying forecast cash flows, and the supporting assumptions, reflect significant judgements as they are affected by unexpected future market or economic conditions, changes to laws and regulations, as well as Management's success in executing the strategy for growth, particularly for the sports segment. The estimation of future cash flows and the level to which they are discounted is inherently uncertain and requires judgement. The extent of uncertainty is also impacted by future developments in relation to the COVID-19 pandemic. The extent of judgement and the size of the goodwill and intangible assets, resulted in this matter being identified as an area of audit focus.	We evaluated the suitability and appropriateness of the impairment methodology applied, and the discounted cash flow model prepared by management, by involving our independent valuation experts. The calculations underlying the impairment model were re-performed in order to check the model's accuracy. We also considered the basis for the determination of the three CGUs. We agreed the 2021 cash flow forecasts in the impairment models to the latest Board approved budgets. For the remaining periods covered by the models we evaluated the assumptions (including revenue growth rates, EBITDA margins and discount rates) underlying the forecasts, and considered the depth of the analysis available, including consideration of market data, to support their basis. As part of this process, we engaged in detailed discussions with management, and enquired on changes to assumptions over the previous period, placing particular focus on the higher growth assumptions for the sports CGU. Further we, together with our independent valuation experts, assessed the discount rate and growth rate assumptions by benchmarking the underlying inputs in the calculation to market data, and by considering alternate scenarios. We have considered management's disclosure around sensitivity of whether or not a reasonable possible change in key assumptions could result in additional impairment, beyond the amounts reflected in the financial statements for the year ended 31 December 2020. In view of the extent of headroom available in the impairment assessment for the casino CGU, a significant deterioration in performance, or variation to the discount factor or long-term growth rate, would need to occur for impairment to result. On the other hand, the recoverable amount and impairment assessment for both the sports and finance CGUs are highly sensitive to changes in key assumptions, primarily revenue growth and discount rate applied. In particular, if the forecast growth rates in revenue are not achieved for the sports segment, then an impairment charge may arise. We considered also the appropriateness of disclosures made in relation to the impairment assessment of goodwill and other intangible assets (Note 15: Goodwill and other intangible assets). Based on the work performed, we found the value of goodwill and other intangible assets, as well as the related disclosures required by IAS 36, to be consistent with the explanations and evidence obtained.

Independent auditor's report - continued

To the Shareholders of Catena Media plc

We have no key audit matters to report with respect to our audit of the parent company financial statements.

How we tailored our group audit scope
We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group includes a number of subsidiaries, with the main subsidiary being Catena Operations Limited. The Group has a centralised accounting function based in Malta. We assessed the overall audit approach and determined the type of work that needed to be performed on the consolidated financial line items by applying overall Group materiality and our assessment of risk. We performed additional procedures on the consolidation process.

This gave us sufficient appropriate audit evidence for our opinion on the Group financial statements as a whole.

Other information

The directors are responsible for the other information. The other information comprises management commentary and other information included on pages 1 to 21 , and pages 60 to pages 70 , and the Board of Directors' report on pages 22 to 29 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the Report on other legal and regulatory requirements.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU, and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the Group's trade, customers and suppliers, and the disruption to its business and the overall economy.

Independent auditor's report - continued

To the Shareholders of Catena Media plc

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Other matters on which we are required to report by exception

The Annual Report 2020 contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the Other information section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

Area of the Annual Report 2020 and the related Directors' responsibilities	Our responsibilities	Our reporting
Directors' report		
(on pages 22 to 29) The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.	We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.	In our opinion: • the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).
	In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.	We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the Other information section.
	Other matters on which we are required to report by exception We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.	We have nothing to report to you in respect of these responsibilities.

Independent auditor's report - continued

To the Shareholders of Catena Media plc

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Appointment

We were first appointed as auditors of the Company on 17 August 2015. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 6 years. The company became listed on a regulated market on 11 February 2016.

PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

Romina Soler
Partner
29 March 2021

Definitions of alternative performance measures

ALTERNATIVE KEY RATIO	DESCRIPTION	SCOPE
EBITDA	Operating profit before depreciation and amortisation and impairment on intangible assets.	The Group reports this key ratio so that users of the report can monitor operating profit and cash flow. This is also used by investors, analysts and the Group's management to evaluate the Group's operational profitability.
EBITDA MARGIN	EBITDA as a percentage of revenue.	The Group reports this key ratio so that the users of the report can monitor the value creation generated by the operation. This is also used by investors, analysts and the Group's management to evaluate the Group's operational profitability.
ADJUSTED EBITDA	EBITDA adjusted for items affecting comparability.	The Group reports this key ratio because it provides a better understanding of the operating profit than non-adjusted EBITDA, which also provides a more comparable financial measure over time.
ADJUSTED EBITDA MARGIN	Adjusted EBITDA as a percentage of revenue.	The Group reports this key ratio to show the underlying EBITDA margin excluding items affecting comparability, which provides a better understanding than non-adjusted EBITDA margin, which also provides a more comparable financial measure over time.
NDCs (NEW DEPOSITING CUSTOMERS)	New customers placing a first deposit with an operator (client).	The Group reports this key figure since it is key to measure revenues and long-term organic growth.
ITEMS AFFECTING COMPARABILITY	Significant items that affect EBITDA when comparing to previous periods.	Items affecting comparability comprise gains or losses on disposal of investment in subsidiary, reversal of costs relating to share based payments, certain increases in loss allowances on trade receivables, credit facility and refinancing related costs, and reorganisation costs.
ORGANIC GROWTH	Revenue growth rate excluding portfolios and products that have been acquired in the past 12 months. Paid and subscription revenue is excluded in the organic growth calculation. Organic growth includes the growth in existing portfolios and products.	The Group reports this key ratio since it is key to measuring revnues and long-term organic growth.
REVENUE GROWTH	Increase in revenue compared to the previous accounting period as a percentage of revenue in the previous accounting period.	The Group reports this key ratio so that users of the report can monitor business growth.
QUICK RATIO	Current assets expressed as a percentage of short-term liabilities.	The Group reports this key ratio to show the Group's ability to pay its current obligations by having assets readily convertible to cash.
REVENUE PRODUCTIVITY RATIO	Revenue per average number of employees.	The Group reports this key ratio to be used by management and investors to assess productivity per employee.
ADJUSTED EBITDA PRODUCTIVITY RATIO	Adjusted EBITDA per average number of employees.	The Group reports this key ratio to be used by management and investors to assess productivity per employee.
CASH CONVERSION RATE	Net cash from operating activities divided by EBITDA.	The Group reports this key figure to determine the Group's ability to convert its profits into available cash.
RETURN ON EQUITY, ROLLING 12 MONTHS	Profits after tax expressed as a percentage of average equity for the past 12 months	The Group reports this key ratio so that users of the report can monitor how efficiently Management is using investment funds from its shareholders to generate growth and profit.
EQUITY TO ASSETS RATIO	Total equity expressed as a percentage of total assets	The Group reports this key ratio to show how much of the Group's assets are funded by total equity.
NET INTEREST-BEARING LIABILITIES (NIBL)	Interest-bearing liabilities less cash and cash equivalents	The Group reports this key ratio to show the outstanding balnce of interest-bearing liabilities (excluding lease liabilities) after deducting its most liquid assets, cash and cash equivalents.
NIBL/EBITDA MULTIPLE	Interest-bearing liabilities less cash and cash equivalents divided by EBITDA	The Group reports this key ratio to be used by Management to measure how many years it would take for the Group to repay its debts if NIBL and EBITDA are held constant.
NIBL/ADJUSTED EBITDA MULTIPLE	Interest-bearing liabilities (notional amount including redemption premium) less cash and cash equivalents divided by adjusted EBITDA	The Group reports this key ratio to be used by Management to measure how many years it would take for the Group to repay its debts, excluding exceptional costs if NIBL and adjusted EBITDA are held constant.
NIBL (INCLUDING HYBRID CAPITAL SECURITIES)	Interest-bearing liabilities plus hybrid capital securities less cash and cash	The Group reports this key ratio to show the outstanding balance of interest-bearing liabilities and hybrid capital securities after deducting its most liquid assets, cash and cash equivalents.
NIBL (INCLUDING HYBRID CAPITAL SECURITIES) /EBITDA MULTIPLE	Interest-bearing liabilities (notional amount including redemption premium) plus hybrid capital securities less cash and cash equivalents divided by EBITDA	The Group reports this key ratio to be used by Management to measure how many years it would take for the Group to repay its debts if NIBL, hybrid capital securities and EBITDA are held constant.
NIBL (INCLUDING HYBRID CAPITAL SECURITIES) /ADJUSTED EBITDA MULTIPLE	Interest-bearing liabilities (notional amount including redemption pramium) plus hybrid capital securities less cash and cash equivalents divided by adjusted EBITDA	The Group reports this key ratio to be used by Management to measure how many years it would take for the Group to repay its debts, excluding exceptional costs if NIBL, hybrid capital securities and adjusted EBITDA are held constant.
DEBT/EQUITY RATIO MULTIPLE	Total liabilites per total equity	The Group reports this key ratio to show the Group's ability to cover all outstanding debts with its total equity.

ANNUAL GENERAL MEETING AND OTHER INFORMATION

ANNUAL GENERAL MEETING

The Annual General Meeting of Catena Media plc for the financial year 1 January – 31 December 2020 will be held on Wednesday, 12 May 2021, at 08:00 (UTC) (10:00 (CEST)) at Catena Media, Quantum Place, Triq ix-Xatt Ta' Xbiex, Gzira, Malta GZR 1052. Notice of the Annual General Meeting is published on Catena Media's website, www.catenamedia.com

OTHER INFORMATION

Catena Media intends to release financial reports on the dates below:

Dates	
Interim Report January – March 2021	19 May 2021
Interim Report January – June 2021	25 August 2021
Interim Report January – September 2021	17 November 2021

INVESTOR RELATIONS

Catena Media's Investor Relations department is responsible for providing relevant information to shareholders, investors, analysts, and media. During the year, Catena Media conducted several international road shows and participated in numerous capital market activities. The Company also held regular analyst meetings. Financial reports, press releases and other information are available from the date of publication on Catena Media´s website, https://www.catenamedia.com/media/press-releases/, where it's also possible to subscribe to press releases and reports.

FOR FURTHER INFORMATION, PLEASE CONTACT

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michael.daly@catenamedia.com

Peter Messner / Group CFO
peter.messner@catenamedia.com

Åsa Hillsten / Head of IR & Communication
asa.hillsten@catenamedia.com

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