

Q3 2017 Interim report January–September

2017-11-07

Record Quarter and continued Strong Growth

Third quarter of 2017 – revenue and EBITDA record

- Revenues totalled EUR 17.26 million (10.73), an increase of 61 percent year-on-year (YoY) and an increase of 15% compared with the previous quarter. Search revenues were the highest so far with organic growth of 29%. Management estimates that 60% of revenues are generated from regulated markets.
- EBITDA amounted to EUR 8.81 million (4.93) corresponding to an EBITDA margin of 51 percent (46). Adjusted EBITDA excluding non-recurring costs related to the change of listing to NASDAQ Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 9.50 million (5.96) corresponding to an adjusted EBITDA margin of 55 percent (56).
- Operating profit increased to EUR 7.57 million (4.65) corresponding to an operating margin of 44 percent (43). Adjusted operating profit excluding non-recurring costs related to the change of listing on NASDAQ Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 8.25 million (5.68), corresponding to an adjusted operating profit margin of 48 percent (53).
- Earnings per share amounted to EUR 0.103 (0.076) before dilution and earnings per share amounted to EUR 0.101 (0.076) after dilution.
- Record in new depositing customers (NDCs) which totalled 100,741 (56,352), an increase of 79 percent YoY and an increase of 10 percent compared to the previous quarter.

First nine months of 2017

- Revenues totalled EUR 47.59 million (27.76), an increase of 71 percent YoY.
- EBITDA increased to EUR 22.30 million (13.59) corresponding to an EBITDA margin of 47 percent (49). Adjusted EBITDA excluding non-recurring costs related to the new bond issue, the change of listing to NASDAQ Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 25.01 million (15.54), corresponding to an adjusted EBITDA margin of 53 percent (56).
- Operating profit increased to EUR 19.60 million (12.90) corresponding to an operating margin of 41 percent (46). Adjusted operating profit excluding non-recurring costs related to the bond issue, the change of listing to NASDAQ Stockholm (Mid-Cap) and reorganisation costs, amounted to EUR 22.31 million (14.85), corresponding to an adjusted operating profit margin of 47 percent (53).
- Earnings per share amounted to EUR 0.289 (0.240) before dilution and earnings per share amounted to EUR 0.283 (0.239) after dilution.
- NDCs totalled 272,384 (137,610), an increase of 98 percent YoY.

Q3 comments from Henrik Persson Ekdahl, Acting CEO

Best quarter ever

Q3 2017 was Catena Media's most successful quarter to date. Our revenue, which totalled EUR 17.26 million, corresponded to year-on-year revenue growth of 61 percent. Organic growth, excluding paid revenue, quarter-on-quarter was 29.3 percent and 28.9 percent for the first 9 months of 2017 compared to the corresponding period in the prior year. Moreover, adjusted EBITDA was at an all-time-high of EUR 9.5 million, corresponding to a margin of 55 percent.

Our key growth indicator is the number of NDCs, in other words, the delivery of new customers to our business partners. For the first time we have delivered a six-digit number, with a total of 100,741. This is a 10-percent increase compared with Q2 and up 79 percent, year-on-year. The strong growth in NDCs demonstrates the success of our business model.

Change of listing to Nasdaq Stockholm's main market

In Q3, the process of moving the company's shares from Nasdaq First North to Nasdaq Stockholm was completed and on 4 September, the shares started trading on the Mid Cap list. As a result of this move, we have secured a good platform for the company and for our shareholders for further expansion.

Continued focus on product innovation

During the quarter we launched the AskFans YouTube channel, which is a program format adapted for the English Premier League, as well as an internal version of the popular "Dragons' Den" program, in which the winner will develop his or her idea for launch in 2018. We have also updated the content on the sports betting site Livebetting.se together with the Swedish sports personality Sladjan Osmanagic.

New markets

In Q3, we completed the acquisition of Caledonian Publishing, thereby capturing a foothold in the regulated Australian sports market. Furthermore, Casinoonline.jp was acquired, which established Catena Media as a key player in the fast-growing Japanese casino market. The Tokyo office will act as a platform for further expansion in Asia. Also, during Q4 John Slots was launched in Germany and AskGamblers was launched in Italy and Germany.

Cont. Q3 comments from Henrik Persson Ekdahl, Acting CEO

Outlook

Casino and sport both performed strongly in Q3 and this trend appears to continue through Q4. Preparations ahead of the 2018 Winter Olympics and the FIFA World Cup are in full swing. We are expectant and optimistic about our strategic, operational and financial performance, and we eagerly anticipate the new, forthcoming challenges that await.

One of the opportunities for 2018 is the opening of Pennsylvania as a regulated state for online gambling. On 25th October the senate approved the bill, followed by the house on the 26th and the final signing by the governor that took place on 30th October. Catena Media expect a gradual development of the Pennsylvania business and to be live within 9-12 months. We also have very strong domains like PlayUSA.com, PlayPennsylvania.com and USPoker.com. Following this opening, Catena Media will continue to strengthen its presence on the US market in line with the company's growth strategy.

Henrik Persson Ekdahl, Acting CEO

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About Catena Media

Catena Media plc is an online performance marketing company that has established a leading position through strong organic growth and acquisitions. The business was started in 2012 and the group has approximately 245 employees in the US, Australia, Japan, Serbia, UK, and Malta, where the Head Office is situated. In 2016, revenues reached EUR 40 million. The company is listed on Nasdaq Stockholm Mid Cap. Further information is available at www.catenamedia.com