

# INTERIM REPORT - Q1 2016

## FIRST QUARTER OF 2016

- Revenues totalled EUR 7.46 million (1.96), an increase of 281 percent compared with the same quarter for the previous year.
- Adjusted operating profit excluding non-recurring IPO expenses amounted to EUR 4.16 million (1.19), corresponding to an adjusted operating margin of 56 percent (61). Operating profit increased to EUR 3.18 million (1.19) corresponding to an operating margin of 43 percent (61).
- Profit before tax amounted to EUR 3.83 million (1.19) and excluding non-recurring IPO expenses totalled EUR 4.80 million (1.19).
- Earnings per share amounted to EUR 0.07439 (0.02625).

## SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

- On 11 February 2016, the company's shares were admitted to trading on the First North Premiere exchange. The subscription price for the offering was SEK 33 per share and the number of shares in issue amounted to 7,273,000. Total proceeds from the issue amounted to SEK 240 million, corresponding to EUR 25 million based on an exchange rate of SEK 9.5188 to the EUR.
- On 13 March 2016, the Group acquired a number of casino comparison websites that operate mainly in Italy and Belgium, which comprise new markets for Catena Media. These markets are regulated and revenue is generated solely from licensed operators. The purchase price for the acquisition of EUR 3 million was paid as a cash consideration in conjunction with the transfer of the assets. In addition, there is an earnout amount payable to the sellers based on revenue generated over the next two years. The earnout amount will not exceed the revenue generated and is capped at EUR 3 million per year, with a maximum total earnout of EUR 6 million.
- On 17 March 2016, Catena Media continued to consolidate its status as market leader in Sweden and continued to strengthen its position in lead generation through the acquisition of the Swedish affiliate network Wonko Media AB. Wonko Media AB was founded in 2010 and has since built a broad foundation of attractive portals and player databases in the online casino sector. The purchase price for the acquisition amounted to SEK 32 million (EUR 3.45 million), which was paid as a cash consideration in conjunction with the transfer of the assets. The assets were transferred to Catena Media plc effective from the closing date of 24 March 2016.
- On 3 April 2016, Catena Media acquired the acknowledged and highly regarded affiliate website AskGamblers.com for a consideration of EUR 15 million. The transaction is the largest in Catena Media's history. AskGamblers operates one of the markets most highly visited web portals for player reviews and rankings of online casinos. The company also provides players with the unique opportunity of trying online casino-related disputes via the portal. Players across Europe utilise AskGamblers.com with the UK being the company's largest market. The transaction comprises all affiliate accounts, domains, mobile apps and social media accounts.

## CEO'S COMMENTS

The year started with another record breaking quarter together with a successful listing of Catena Media's shares on Nasdaq First North. The rapid growth we noted during 2015 continued through the start of the year. Growth in the first quarter of 2016 compared to the fourth quarter of 2015 largely comprised organic growth, however, it should be noted that at the end of this quarter two further acquisitions were made. Our organic growth is a result of several factors, whereby our focus on increasing the numbers of new depositing customers combined with our investment in technology are producing results. By introducing our business intelligence and technical platforms to the newly acquired companies, we are able to accelerate their existing growth rates. A tangible example of the effect of our acquisition model and its impact is Right Casino Media (acquired on 23 October 2015) which generates paid revenue. Comparison of paid revenue in the fourth quarter of 2015 with the first quarter of 2016 shows organic growth of 83 percent quarter on quarter.

As referred to above, we completed two strategic acquisitions in the first quarter that strengthened our leading position in Europe and positioned Catena Media for further expansion. Moreover, we concluded our largest acquisition ever when we acquired Askgamblers.com in the beginning of April. This had no impact on our first quarter but comprises a key acquisition that will have a major impact on our strategic footprint in Europe going forward. Our exposure to regulated markets has increased through the recent acquisitions, which is in line with our strategy and brings valuable know-how and experience for continued expansion.

Excluding non-recurring items, our operating margin declined slightly during the first quarter compared to the fourth, which was a natural and short-term consequence of our substantial growth in paid revenue as well as our investment in technology and the recruitment of employees during the quarter.

A stylized, handwritten signature in black ink, consisting of several fluid, overlapping strokes that form a unique, cursive-like shape.

Robert Andersson, CEO, Catena Media

## THIS IS CATENA

Catena Media's journey began back in 2008. The journey has been one of success, trial and error, and drive and determination. As a result, we now have a competitive advantage in online lead generation.

Catena Media is an online lead generation company. We generate valuable traffic to our clients using various online channels. We aim to build market-leading web portals that best suit the needs of our clients' customers. We use our expertise to attract the desired leads and forward them on to our clients in the form of paying customers.

To achieve these goals, we must know our clients' target audiences and understand the optimal method of reaching them. This could be through websites, which we design specifically with sophisticated search engine optimization in mind, thereby reaching the leads that are most valuable to our clients.

### MISSION

To provide the most valuable online and mobile leads for clients in carefully selected industries.

### VISION

To become the world's number one provider of high-value iGaming leads.

### GROWTH STRATEGY

To grow and expand quickly, though in a scalable fashion, and ensuring we retain the best talent.

## MARKET OUTLOOK

Both the iGaming market as a whole and the online casino segment in particular have posted strong average growth in Europe over the past five years. iGaming operators are increasing their marketing efforts in digital channels, benefiting Catena Media whose mission is to increase online visibility for operators, and online casinos in particular. To remain a preferred marketing partner, Catena Media is actively working to develop its offering and the next generation of the company's technical platform is currently in development.

Several technical trends support Catena Media's growth, mainly the shift from land-based gambling to iGaming along with increasing internet penetration and higher bandwidth capacity. These technical trends are making online casino games more accessible to new audiences, such as younger players as well as a higher proportion of female players.

Some of Catena Media's core markets are currently undergoing regulatory reviews. The Dutch parliament is expected to make a decision in 2016, while the Swedish market is expected to undergo some form of re-regulation in 2018 at the earliest. Both Norway and Finland are currently a long way from any kind of re-regulation, however, when some form of re-regulation does take place for these markets, it is likely to have a positive impact on market growth. New national laws and regulations (re-regulation) for casino services have both positive and negative effects on the online casino market. Catena Media's view is that re-regulation generally increases the overall demand for iGaming and online casinos. For instance, the UK market has been re-regulated under a legal framework governing iGaming and online casinos which has led to greater market transparency and predictability, and the desire of gambling operators and affiliates to establish themselves in the market.

### GROWTH

Short to medium-term 2016–2018:  
Average annual revenue growth in excess of 75 percent, including acquisitions

Long-term: Annual revenue growth in excess of 25 percent, including acquisitions

### PROFITABILITY

Short to medium-term,  
2016–2018: An operating profit margin in excess of 50 percent

Long-term: An operating profit margin in excess of 40 percent

### DIVIDEND

The long-term dividend policy is to distribute annual dividends in excess of 50 percent of net profit

## SUMMARY FOR THE FIRST QUARTER OF 2016

|                                       | Jan-Mar<br>2016 | Jan-Mar<br>2015 | Jan-Dec<br>2015 |
|---------------------------------------|-----------------|-----------------|-----------------|
|                                       | €               | €               | €               |
| Operating revenues (€)                | 7,458,512       | 1,955,915       | 14,938,857      |
| Operating profit (€)                  | 3,180,577       | 1,185,888       | 8,983,237       |
| Operating profit margin (%)           | 43%             | 61%             | 60%             |
| Adjusted operating profit (€)*        | 4,157,795       | 1,185,888       | 10,149,077      |
| Adjusted operating margin (%)*        | 56%             | 61%             | 68%             |
| Adjusted profit before tax (€)*       | 4,803,046       | 1,185,142       | 10,164,567      |
| Adjusted profit before tax margin(%)* | 64%             | 61%             | 68%             |
| Earnings per share (€)                | 0.07439         | 0.02625         | 0.19880         |
| NDC                                   | 32,321          | 9,850           | 69,331          |
| Equity to asset ratio                 | 69%             | 77%             | 43%             |

\*Adjusted for non-recurring IPO expenses of EUR 0.98 million (nil) in Q1 2016. Total IPO costs for the year ended 31 December 2015 amounted to EUR 1.17 million.

## DEVELOPMENT DURING THE FIRST QUARTER

### Continued strong growth

The year started at a high pace with the listing of the company's shares on Nasdaq First North and several strategic acquisitions. Meanwhile, the company experienced strong organic growth in gaming revenue and the number of depositing customers (NDCs), resulting in a stabilised [operating] margin. Having strong faith in the business model and underlying market, Catena Media is aiming for further growth by actively developing the portfolio of websites and keeping them continuously updated with high-quality content adapted to the core markets. The work has become more efficient thanks to the platform Catena Core. Constant improvements to search engine optimisation (SEO) methods are also confirming Catena's status as a preferred marketing partner for customers.

In March, Catena Media acquired two affiliates thereby consolidating Catena's position as one of Europe's fastest growing companies in lead generation and enabling further global growth. The first acquisition was of an affiliate network in Belgium and Italy operating a number of online casino comparison websites in regulated markets and generating revenue from around 1,000 NDCs each month. Shortly after came the acquisition of a Swedish affiliate network Wonko Media AB, which provides Catena Media with a broad foundation of attractive portals and player databases in the Nordic online casino sector as well as an even flow of revenue in coming years. Last but not least, our biggest acquisition to date was made after the end of the quarter; the acquisition of Serbia-based AskGamblers.com which operates one of the market's most highly visited web portals for player reviews and rankings, and provides global traffic and completes Catena Media's current portfolio of websites. Moreover, Catena Media won access to a talent pool of some 30 skilled employees in technical development and programming, ensuring the supply of competence for further growth.

### Strengthened organisation

Catena Media is growing by the day and the number of employees has increased from 34 as at 31 March 2015 to 86 in less than a year. Despite this, the need for additional talent remains. A new organisational structure was implemented in the second half of 2015, with the aim of increasing efficiency and flexibility, and positioned us for continued growth moving forward. Furthermore, the management team was recently reinforced by the recruitment of a Chief Product Officer (CPO). The company is also working actively to promote increased wellness and an improved working environment.

## Successful listing of shares

Catena Media's listing on the First North Premier exchange was successfully completed in February 2016.

We have identified numerous advantages with being a listed company. The increased transparency helps to strengthen our brand, which is important for our relationships with casino operators. As a listed company, we also have better opportunities to grow and quickly adapt our operations to new conditions in the gambling industry. In addition, we can strengthen our financial position and thereby create opportunities for growth through acquisitions and or through establishing operations in new markets.

## FINANCIAL PERFORMANCE DURING THE FIRST QUARTER OF 2016

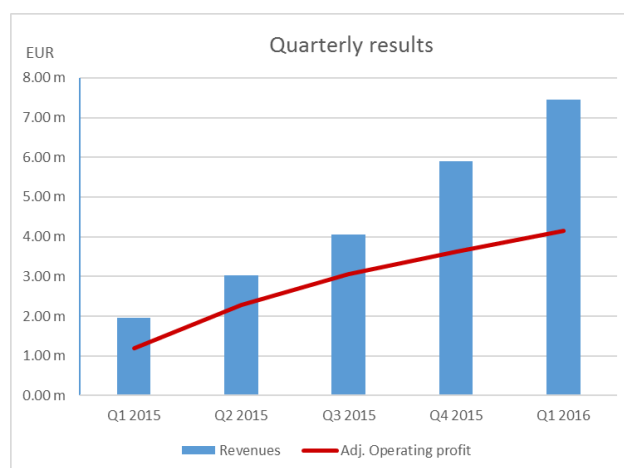
### Revenues

The Group's revenues totalled EUR 7.46 million (1.96) in the first quarter, corresponding to an increase of 281 percent compared with the same period in 2015. Out of the EUR 7.46 million, EUR 5.49 million (1.96) represented organic revenue. The increase in organic revenue was driven in part by organic growth and partly from a number of acquisitions throughout the period.

Revenue from the acquisitions of Wonko Media AB and the Belgian and Italian casino comparison websites are reflected in Catena Media's revenues and results as from March 2016. In the first quarter, revenue derived from Wonko Media AB amounted to EUR 0.12 million, whilst revenue generated from the acquisition of the Belgian and Italian casino comparison websites amounted to EUR 0.09 million for March. It is expected that the pre-tax profit margins from these two acquisitions will be 85 percent and 80 percent respectively.

Paid revenue corresponds to EUR 1.97 million (nil). This revenue is related to the acquisition of Catena Media UK Limited (formerly known as Right Casino Media Limited ('RCM')). The acquisition was finalised on 23 October 2015 and revenues relating to this acquisition are reflected in Catena Media's revenues and results as from 1 November 2015.

This significant increase in revenue is attributable to the fact that during the prior period, the Group acquired the customer databases, domains and websites of eight competitors within the Group's current core markets. In addition, during the current period, the Group acquired the customer databases, domains and websites of another two competitors.



### Expenses

Operating expenses amounted to EUR 4.28 million (0.77). Other operating expenses amounted to EUR 2.14 million (0.45), and represented the more significant expense component. Other operating expenses include primarily direct costs driven by paid revenue. During the first quarter, these costs predominantly related to AdWords (Google spend) costs, and amounted to EUR 1.28 million (nil).

Personnel expenses amounted to EUR 1.00 million (0.31). The increase in personnel expenses was due to the recruitment of additional members of top and middle management and additional employees across the organisation. As a result, the headcount totalled 86 employees at the close of the first quarter this year compared to 34 employees at the close of the same quarter last year. The increase in headcount was driven by the strong growth currently being experienced by the Group. This also gave rise to the significant increase in other operating expenses as a result of an increase in staff-related support costs such as increased office expenses, additional office rent, more software user licences, recruitment agency fees and other similar items included in other operating expenses.

Depreciation and amortisation amounted to EUR 0.16 million (0.01). The increase in depreciation and amortisation was mainly attributable to the acquisition of competitor player databases during the prior year and the current quarter. 4 percent of the cost of these acquisitions is being expensed over a three-year period. In the case of Catena Media UK Limited, 12 percent of the purchase price is also being depreciated over a three-year period.

As a result of the rapid expansion, the Group witnessed an increase in other operating expenses including domains for SEO efforts, external consultancy fees and server hosting fees.

Non-recurring costs relating to the listing of the company of EUR 0.98 million (nil) are included in operating expenses.

### **Earnings**

Operating profit for the first quarter of 2016 amounted to EUR 3.18 million (1.19), an increase of 167 percent compared to the corresponding period last year. Adjusted operating profit amounted to EUR 4.16 million (1.19), corresponding to an adjusted operating margin of 56 percent (61). Operating profit includes IPO related costs of EUR 0.98 million (nil).

Profit before tax amounted to EUR 3.83 million (1.19), an increase of 222 percent compared with the corresponding quarter in 2015.

Profit for the period amounted to EUR 3.56 million (0.94). Earnings per share amounted to EUR 0.07439 (0.02625).

For the quarter ended 31 March 2016, the Group had an effective tax rate of 6.5 percent.

### **Investments**

Investments in intangible assets, which consist of player databases, websites and domains, amounted to EUR 10.35 million (5.60) during the quarter.

Acquisitions of property, plant and equipment amounted to EUR 0.14 million (0.04).

### **Cash and cash equivalents, financing and financial position**

Cash flow from operating activities during the first quarter amounted to EUR 2.94 million (0.36). Cash flow used in investing activities was EUR 8.30 million (0.56) and was primarily attributable to the acquisitions that took place during the quarter. Cash flow from financing activities was EUR 24.21 million while the amount used in the comparative quarter was EUR 0.02 million. Cash and cash equivalents amounted to EUR 20.36 million (0.33) at the end of the quarter.

## **THE CATENA MEDIA SHARES**

On 11 February 2016, the company's shares were listed on Nasdaq First North Premier, Stockholm, under the trading symbol 'CTM'. Further information about the listing is available in the prospectus, which is available on the company's website at <https://www.catenamedia.com/investors/prospectus>.

The offering, including the over-allotment option, was subscribed for in full and comprised a total of 29,580,990 shares, of which 7,273,000 shares were newly issued shares and 22,307,990 existing shares. The subscription price for the offering was SEK 33 per share and Catena Media raised SEK 229.80 million corresponding to EUR 24.14 million in equity after issue costs. After the new share issue the total number of issued shares amounted to 51,445,152.

## OWNERSHIP STRUCTURE

Largest shareholders in Catena Media as at 31 March 2016:

| Shareholders                                | Number of shares  | Share of capital and votes% |
|---------------------------------------------|-------------------|-----------------------------|
| Optimizer Invest Ltd.                       | 8,217,485         | 15.97%                      |
| Aveny Ltd.                                  | 5,110,934         | 9.93%                       |
| Pixel Wizard Ltd.                           | 4,098,624         | 7.97%                       |
| LFJK Ltd                                    | 3,337,703         | 6.49%                       |
| Öresund Investment AB                       | 3,030,303         | 5.89%                       |
| Swedbank Robur Småbolagsfond Norden         | 3,030,303         | 5.89%                       |
| Carnegie Småbolagsfond                      | 2,600,000         | 5.05%                       |
| Handelsbanken Fonder AB re JPMEL            | 2,000,000         | 3.89%                       |
| Skandrenting AB (fully-owned by Erik Selin) | 1,515,151         | 2.95%                       |
| Knutsson Holdings AB                        | 1,515,151         | 2.95%                       |
| Total top 10 shareholders                   | 34,455,654        | 66.98%                      |
| Other shareholders                          | 16,989,498        | 33.02%                      |
| <b>Total</b>                                | <b>51,445,152</b> | <b>100%</b>                 |

## OTHER

### Parent Company

Catena Media p.l.c is the ultimate holding company of the Group and was incorporated in Malta on 29 May 2015 with the sole purpose of receiving dividend income from the main operational company, Catena Operations Limited. No dividends were received from the latter subsidiary during Q1 2016. Finance income amounted to EUR 0.66 and expenses amounted to EUR 0.05 million. Profit for the period amounted to EUR 0.61 million. The company's cash and cash equivalents amounted to EUR 20.07 million at the end of the quarter and equity amounted to EUR 27.65 million. No dividend was distributed during the first quarter of 2016.

### Employees

The total number of employees in the Group at 31 March 2016 amounted to 86 (34), of which 24 (15) were women and 62 (19) were men. Expressed as percentages, women represented 28 percent (44) of the total number of employees whilst men made up 72 percent (56). All employees were employed on a full-time basis. Due to its rapid growth, the Group is continuing to recruit new employees.

### Significant risks and uncertainties

While 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 customers, whether current or future, the Group's revenue streams from such customers may be adversely affected. Further, the authority concerned may also claim that the same or similar actions should be brought against any third party having promoted the business of such online gambling operator, 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 results of operations.

On behalf of the board:

**Andre Andersen Lavold**  
Director

**Per Anders Henrik Persson Ekdahl**  
Director

## Condensed consolidated interim statement of comprehensive income (unaudited)

| Group                                                            |       | Jan-Mar<br>2016  | Jan-Mar<br>2015  | Jan-Dec<br>2015  |
|------------------------------------------------------------------|-------|------------------|------------------|------------------|
|                                                                  | Notes | €                | €                | €                |
| <b>Continuing operations</b>                                     |       |                  |                  |                  |
| Revenue                                                          | 3     | 7,458,512        | 1,955,915        | 14,938,857       |
| Personnel expenses                                               |       | (999,525)        | (313,185)        | (2,024,023)      |
| Depreciation and amortisation                                    |       | (161,291)        | (5,833)          | (142,230)        |
| IPO related costs                                                |       | (977,218)        | -                | (1,165,840)      |
| Other operating expenses                                         | 4     | (2,139,901)      | (451,009)        | (2,623,527)      |
| Total operating expenses                                         |       | (4,277,935)      | (770,027)        | (5,955,620)      |
| <b>Operating profit</b>                                          |       | <b>3,180,577</b> | <b>1,185,888</b> | <b>8,983,237</b> |
| Finance costs                                                    |       | (11,094)         | (5,618)          | (10,497)         |
| Finance income                                                   |       | 656,345          | 23               | 6,138            |
| Other non-operating income                                       |       | -                | 4,849            | 19,849           |
| <b>Profit before tax</b>                                         |       | <b>3,825,828</b> | <b>1,185,142</b> | <b>8,998,727</b> |
| Tax expense                                                      |       | (248,345)        | (157,929)        | (684,689)        |
| <b>Profit for the period / year from continuing operations</b>   |       | <b>3,577,483</b> | <b>1,027,213</b> | <b>8,314,038</b> |
| <b>Discontinued operations</b>                                   |       |                  |                  |                  |
| Loss for the period from discontinued operations                 |       | -                | (82,250)         | (82,250)         |
| <b>Other comprehensive income</b>                                |       |                  |                  |                  |
| Currency translation differences                                 |       | (18,652)         | -                | (1,208)          |
| <b>Profit for the period / year - total comprehensive income</b> |       | <b>3,558,831</b> | <b>944,963</b>   | <b>8,230,580</b> |

The notes on pages 13 to 16 are an integral part of these condensed consolidated interim financial statements.

## Condensed consolidated interim statement of comprehensive income (unaudited) (continued)

|                                                                                                                                   | Jan-Mar<br>2016 | Jan-Mar<br>2015 | Jan-Dec<br>2015 |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
|                                                                                                                                   | €               | €               | €               |
| <b>Earnings per share attributable to the equity holders of the parent during the period / year (expressed in Euro per share)</b> |                 |                 |                 |
| <b>Basic earnings per share</b>                                                                                                   |                 |                 |                 |
| From continuing operations                                                                                                        | <b>0.07439</b>  | 0.02853         | 0.20079         |
| From discontinuing operations                                                                                                     | -               | (0.00228)       | (0.00199)       |
| From profit for the period / year                                                                                                 | <b>0.07439</b>  | 0.02625         | 0.19880         |
| <b>Diluted earnings per share</b>                                                                                                 |                 |                 |                 |
| From continuing operations                                                                                                        | <b>0.07412</b>  | 0.02853         | 0.19994         |
| From discontinuing operations                                                                                                     | -               | (0.00228)       | (0.00198)       |
| From profit for the period / year                                                                                                 | <b>0.07412</b>  | 0.02625         | 0.19796         |

The notes on pages 13 to 16 are an integral part of these condensed consolidated interim financial statements.

## Condensed consolidated interim balance sheet (unaudited)

| Group                                | 31-Mar<br>2016    | 31-Mar<br>2015   | 31-Dec<br>2015    |
|--------------------------------------|-------------------|------------------|-------------------|
|                                      | €                 | €                | €                 |
| <b>ASSETS</b>                        |                   |                  |                   |
| <b>Non-current assets</b>            |                   |                  |                   |
| Goodwill                             | 7,332,727         | -                | 7,332,727         |
| Other intangible assets              | 24,560,769        | 6,644,894        | 14,341,978        |
| Property, plant and equipment        | 541,013           | 105,717          | 416,336           |
| <b>Total non-current assets</b>      | <b>32,434,509</b> | <b>6,750,611</b> | <b>22,091,041</b> |
| <b>Current assets</b>                |                   |                  |                   |
| Trade and other receivables          | 5,497,236         | 2,101,153        | 4,295,474         |
| Deferred tax assets                  | 1,314,179         | -                | 1,127,199         |
| Deferred listing costs               | -                 | -                | 291,459           |
| Cash and cash equivalents            | 20,362,579        | 329,207          | 1,529,222         |
| <b>Total current assets</b>          | <b>27,173,994</b> | <b>2,430,360</b> | <b>7,243,354</b>  |
| <b>Total assets</b>                  | <b>59,608,503</b> | <b>9,180,971</b> | <b>29,334,395</b> |
| <b>EQUITY AND LIABILITIES</b>        |                   |                  |                   |
| <b>Capital and reserves</b>          |                   |                  |                   |
| Share capital                        | 77,168            | 1,200            | 66,258            |
| Share premium                        | 25,740,521        | -                | 999,793           |
| Other reserves                       | 5,089,398         | 5,000,000        | 5,072,731         |
| Retained earnings                    | 10,074,825        | 2,055,840        | 6,497,342         |
| <b>Total equity</b>                  | <b>40,981,912</b> | <b>7,057,040</b> | <b>12,636,124</b> |
| <b>Liabilities</b>                   |                   |                  |                   |
| <b>Non-current liabilities</b>       |                   |                  |                   |
| Trade and other payables             | 6,347,607         | -                | 2,639,622         |
| Deferred tax liabilities             | 1,122,451         | 43,315           | 1,031,909         |
| <b>Total non-current liabilities</b> | <b>7,470,058</b>  | <b>43,315</b>    | <b>3,671,531</b>  |
| <b>Current liabilities</b>           |                   |                  |                   |
| Trade and other payables             | 8,485,387         | 1,050,328        | 10,692,484        |
| Current tax liabilities              | 2,671,146         | 1,030,289        | 2,334,256         |
| <b>Total current liabilities</b>     | <b>11,156,533</b> | <b>2,080,617</b> | <b>13,026,740</b> |
| <b>Total liabilities</b>             | <b>18,626,591</b> | <b>2,123,932</b> | <b>16,698,271</b> |
| <b>Total equity and liabilities</b>  | <b>59,608,503</b> | <b>9,180,971</b> | <b>29,334,395</b> |

The notes on pages 13 to 16 are an integral part of these condensed consolidated interim financial statements.

These condensed consolidated interim financial statements on pages 8 to 16 were authorised for issue by the Board on 23 May 2016 and were signed on its behalf by:

**Andre Andersen Lavold**  
Director

**Per Anders Henrik Persson Ekdahl**  
Director

**Registered office**  
The Firs, Level 6  
Gorg Borg Olivier Street  
Sliema SLM 1801  
Malta

## Condensed consolidated interim statement of changes in equity (unaudited)

| Group                                            | Attributable to owners of the parent |                  |                   |                   | Non-controlling interest | Total equity      |
|--------------------------------------------------|--------------------------------------|------------------|-------------------|-------------------|--------------------------|-------------------|
|                                                  | Share capital                        | Other reserves   | Share premium     | Retained earnings |                          |                   |
|                                                  | €                                    | €                | €                 | €                 | €                        | €                 |
| Balance at 1 January 2016                        | 66,258                               | 5,072,731        | 999,793           | 6,497,342         | -                        | 12,636,124        |
| <b>Comprehensive income</b>                      |                                      |                  |                   |                   |                          |                   |
| Profit for the period                            | -                                    | -                | -                 | 3,577,483         | -                        | 3,577,483         |
| Foreign currency translation movement            | -                                    | (18,652)         | -                 | -                 | -                        | (18,652)          |
| <b>Total comprehensive income for the period</b> | -                                    | (18,652)         | -                 | 3,577,483         | -                        | 3,558,831         |
| <b>Transactions with owners</b>                  |                                      |                  |                   |                   |                          |                   |
| Issue of share capital                           | 10,910                               | -                | 24,740,728        | -                 | -                        | 24,751,638        |
| Equity-settled share-based payments              | -                                    | 35,319           | -                 | -                 | -                        | 35,319            |
| <b>Total transactions with owners</b>            | 10,910                               | 35,319           | 24,740,728        | -                 | -                        | 24,786,957        |
| <b>Balance as at 31 March 2016</b>               | <b>77,168</b>                        | <b>5,089,398</b> | <b>25,740,521</b> | <b>10,074,825</b> | <b>-</b>                 | <b>40,981,912</b> |

| Group                                            | Attributable to owners of the parent |                  |               |                   | Non-controlling interest | Total equity     |
|--------------------------------------------------|--------------------------------------|------------------|---------------|-------------------|--------------------------|------------------|
|                                                  | Share capital                        | Other reserves   | Share premium | Retained earnings |                          |                  |
|                                                  | €                                    | €                | €             | €                 | €                        | €                |
| Balance at 1 January 2015                        | 1,200                                | (4,519)          | -             | 1,260,877         | 4,611                    | 1,262,169        |
| <b>Comprehensive income</b>                      |                                      |                  |               |                   |                          |                  |
| Profit for the period                            | -                                    | -                | -             | 944,963           | -                        | 944,963          |
| <b>Total comprehensive income for the period</b> | -                                    | -                | -             | 944,963           | -                        | 944,963          |
| <b>Transactions with owners</b>                  |                                      |                  |               |                   |                          |                  |
| Issue of share capital (before reorganisation)   | -                                    | 5,000,000        | -             | -                 | -                        | 5,000,000        |
| Dividends distributed during the period          | -                                    | -                | -             | (150,000)         | -                        | (150,000)        |
| <b>Total transactions with owners</b>            | -                                    | 5,000,000        | -             | (150,000)         | -                        | 4,850,000        |
| <b>Adjustments relating to reorganisation</b>    |                                      |                  |               |                   |                          |                  |
| Reorganisation of the Group                      | -                                    | 4,519            | -             | -                 | (4,611)                  | (92)             |
| <b>Balance at 31 March 2015</b>                  | <b>1,200</b>                         | <b>5,000,000</b> | <b>-</b>      | <b>2,055,840</b>  | <b>-</b>                 | <b>7,057,040</b> |

The notes on pages 13 to 16 are an integral part of these condensed consolidated interim financial statements.

## Condensed consolidated interim statement of changes in equity (unaudited) (continued)

| Group                                            | Attributable to owners of the parent |                  |                |                   | Non-controlling interest | Total equity      |
|--------------------------------------------------|--------------------------------------|------------------|----------------|-------------------|--------------------------|-------------------|
|                                                  | Share capital                        | Other reserves   | Share premium  | Retained earnings |                          |                   |
|                                                  | €                                    | €                | €              | €                 | €                        | €                 |
| Balance at 1 January 2015                        | 1,200                                | (4,519)          | -              | 1,260,877         | 4,611                    | 1,262,169         |
| <b>Comprehensive income</b>                      |                                      |                  |                |                   |                          |                   |
| Profit for the period                            | -                                    | -                | -              | 8,231,788         | -                        | 8,231,788         |
| Foreign currency translation movement            | -                                    | (1,208)          | -              | -                 | -                        | (1,208)           |
| <b>Total comprehensive income for the period</b> | -                                    | (1,208)          | -              | 8,231,788         | -                        | 8,230,580         |
| <b>Transactions with owners</b>                  |                                      |                  |                |                   |                          |                   |
| Issue of share capital (before reorganisation)   | 254                                  | 4,999,746        | -              | -                 | -                        | 5,000,000         |
| Issue of share capital (after reorganisation)    | 66,258                               | -                | 999,793        | -                 | -                        | 1,066,051         |
| Dividends distributed during the period          | -                                    | -                | -              | (2,995,323)       | -                        | (2,995,323)       |
| Equity-settled share-based payments              | -                                    | 74,193           | -              | -                 | -                        | 74,193            |
| <b>Total transactions with owners</b>            | 66,512                               | 5,073,939        | 999,793        | (2,995,323)       | -                        | 3,144,921         |
| <b>Adjustments relating to reorganisation</b>    |                                      |                  |                |                   |                          |                   |
| Reorganisation of the Group                      | (1,454)                              | 4,519            | -              | -                 | (4,611)                  | (1,546)           |
| <b>Balance as at 31 December 2015</b>            | <b>66,258</b>                        | <b>5,072,731</b> | <b>999,793</b> | <b>6,497,342</b>  | <b>-</b>                 | <b>12,636,124</b> |

The notes on pages 13 to 16 are an integral part of these condensed consolidated interim financial statements.

**Condensed consolidated interim statement of cash flows (unaudited)**

| Group                                                          | Jan-Mar<br>2016    | Jan-Mar<br>2015 | Jan-Dec<br>2015 |
|----------------------------------------------------------------|--------------------|-----------------|-----------------|
|                                                                | €                  | €               | €               |
| <b>Cash flows from operating activities</b>                    |                    |                 |                 |
| Profit before tax including discontinued operations            | <b>3,825,828</b>   | 1,102,892       | 8,916,477       |
| Adjustments for:                                               |                    |                 |                 |
| Loss on disposal                                               | -                  | 77,731          | 77,731          |
| Depreciation and amortisation                                  | <b>161,291</b>     | 5,833           | 142,230         |
| Loss on disposal of PPE                                        | -                  | -               | 391             |
| Impairment of receivables                                      | <b>89,015</b>      | -               | 32,017          |
| Unrealised exchange differences                                | <b>(656,345)</b>   | -               | -               |
| Interest expense                                               | -                  | 5,618           | 10,497          |
| Interest income                                                | -                  | (23)            | (6,138)         |
|                                                                | <b>3,419,789</b>   | 1,192,051       | 9,173,205       |
| Changes in:                                                    |                    |                 |                 |
| Trade and other receivables                                    | <b>(1,290,777)</b> | (772,219)       | (2,040,446)     |
| Trade and other payables                                       | <b>154,796</b>     | (63,792)        | 1,238,511       |
| <b>Cash from operating activities</b>                          | <b>2,283,808</b>   | 356,040         | 8,371,270       |
| Interest received                                              | -                  | 23              | 6,138           |
| Taxation paid                                                  | -                  | -               | (50)            |
| <b>Net cash generated from operating activities</b>            | <b>2,283,808</b>   | 356,063         | 8,377,358       |
| <b>Cash flows used in investing activities</b>                 |                    |                 |                 |
| Acquisition of property, plant and equipment                   | <b>(104,932)</b>   | (33,405)        | (375,430)       |
| Acquisition of intangible assets                               | <b>(8,191,097)</b> | (400,000)       | (3,863,132)     |
| Net cash upon disposal                                         | -                  | (128,842)       | (21,056)        |
| Interest paid                                                  | -                  | -               | (3,008)         |
| <b>Net cash used in investing activities</b>                   | <b>(8,296,029)</b> | (562,247)       | (4,262,626)     |
| <b>Cash flows from financing activities</b>                    |                    |                 |                 |
| Net proceeds received on issuance of share capital             | <b>24,207,885</b>  | -               | 66,045          |
| Dividends paid                                                 | -                  | -               | (2,995,323)     |
| Net movement on loans                                          | -                  | (22,858)        | (223,012)       |
| Proceeds from share warrants                                   | -                  | -               | 17,228          |
| Interest paid                                                  | -                  | -               | (7,489)         |
| <b>Net cash generated from/(used in) financing activities</b>  | <b>24,207,885</b>  | (22,858)        | (3,142,551)     |
| <b>Net movement in cash and cash equivalents</b>               | <b>18,195,664</b>  | (229,042)       | 972,181         |
| <b>Cash and cash equivalents at beginning of period / year</b> | <b>1,529,222</b>   | 553,730         | 553,730         |
| <b>Currency translation differences</b>                        | <b>637,693</b>     | 4,519           | 3,311           |
| <b>Cash and cash equivalents at end of period</b>              | <b>20,362,579</b>  | 329,207         | 1,529,222       |

The notes on pages 13 to 16 are an integral part of these condensed consolidated interim financial statements.

## Notes to the condensed consolidated interim financial statements

### 1. General information

Catena Media p.l.c. (the “Company”) is a limited liability company and is incorporated in Malta. The Company and its subsidiaries (together, the “Group” also referred to as Catena Media) engage in online and affiliate marketing.

The Group attracts users through online marketing techniques and subsequently seeks to channel high value “traffic” (i.e. users) to online and mobile businesses who, in turn, convert such traffic into paying customers. In return, the Group receives either: (i) a share of the revenue generated by such users, (ii) a fee generated per user acquired, (iii) other fixed fees or (iv) a hybrid of any of these three models (refer to note 3).

### 2. Accounting policies

The principal accounting policies applied in the preparation of the Group’s condensed interim consolidated financial statements are consistent with those presented in the Annual Report for the year ended 31 December 2015. Detailed information about the Group’s accounting policies can be found in the Annual Report for 2015 (Note 2), which is available on [www.catenamedia.com](http://www.catenamedia.com).

#### 2.1 Basis of preparation

The Company was incorporated on 29 May 2015 under the terms of the Maltese Companies Act, 1995. On 1 June 2015, the Company acquired a 100 percent shareholding in Catena Operations Limited from its previous five shareholders. On 1 January 2015, Catena Operations Limited transferred its investment in Paxo Finans AB, a subsidiary in which it previously held a 95 percent interest, to Catena Invest Ltd, a related company which is not included in the Group.

The substance of the above was that of a group restructuring by virtue of which the Company became the new parent company of Catena Operations Limited. Accordingly, the shareholders of the Company are identical to those of Catena Operations Limited, and the restructuring solely interposed an additional holding company as holder of the shares in Catena Operations Limited. This transaction has been accounted for in the consolidated financial statements as a restructuring, and these have been compiled as if Catena Media p.l.c., was the parent company of the Group from incorporation. Accordingly, in order to provide more meaningful information to potential investors, the comparative figures include the financial performance and position of the Group even though the new parent company was legally incorporated on 29 May 2015. The comparative figures therefore present the consolidated results for Catena Operations Limited, the previous parent, and adjustments to reflect the impact of the re-organisation have been reflected in the Statement of changes in equity.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act, 1995. They have been prepared under the historical cost convention.

This quarterly report has not been audited or reviewed.

*Standards, interpretations and amendments to published standards that are not yet effective*

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended 31 March 2016, and have not been applied in preparing these condensed consolidated interim financial statements. None of these are expected to have a material impact on the financial statements of the Group in the current or future reporting periods.

### 3. Revenue

The revenue for the Group for the first quarter of 2016 is further analysed as follows:

| Group                | Jan-Mar<br>2016  | Jan-Mar<br>2015  | Jan-Dec<br>2015   |
|----------------------|------------------|------------------|-------------------|
|                      | €                | €                | €                 |
| Organic revenue      | 5,487,773        | 1,955,915        | 13,862,266        |
| Paid revenue         | 1,970,740        | -                | 1,076,591         |
| <b>Total revenue</b> | <b>7,458,512</b> | <b>1,955,915</b> | <b>14,938,857</b> |

#### 4. Other operating expenses

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

| Group                                 | Jan-Mar<br>2016  | Jan-Mar<br>2015 | Jan-Dec<br>2015  |
|---------------------------------------|------------------|-----------------|------------------|
|                                       | €                | €               | €                |
| SEO support costs                     | 225,863          | 81,543          | 328,410          |
| Direct costs related to Paid revenue  | 1,279,557        | -               | 734,617          |
| Other expenses                        | 634,481          | 369,466         | 1,560,500        |
| <b>Total other operating expenses</b> | <b>2,139,901</b> | <b>451,009</b>  | <b>2,623,527</b> |

## 5. Related party transactions

In view of its shareholding structure, the Group has no ultimate controlling party. All companies forming part of the Group, together with its shareholders, are considered by the directors to be related parties.

The following transactions were carried out with related parties:

### (a) Sales of services

|                                          | Jan-Mar<br>2016<br>€ | Jan-Mar<br>2015<br>€ | Jan-Dec<br>2015<br>€ |
|------------------------------------------|----------------------|----------------------|----------------------|
| - Entities under common control          | -                    | 270,742              | 1,360,135            |
| - Entities with significant shareholding | <b>764,972</b>       | -                    | -                    |

### (b) Key management personnel

|                     | Jan-Mar<br>2016<br>€ | Jan-Mar<br>2015<br>€ | Jan-Dec<br>2015<br>€ |
|---------------------|----------------------|----------------------|----------------------|
| - Loan repayment to | -                    | 22,858               | 223,012              |

### (c) Other related party transactions

|                                          | Jan-Mar<br>2016<br>€ | Jan-Mar<br>2015<br>€ | Jan-Dec<br>2015<br>€ |
|------------------------------------------|----------------------|----------------------|----------------------|
| - Recharges from:                        |                      |                      |                      |
| - Entities under common control          | -                    | 43,992               | 60,603               |
| - Entities with significant shareholding | <b>239,062</b>       | -                    | -                    |
| - Loan repayment from:                   |                      |                      |                      |
| - Entities under common control          | -                    | -                    | 259,218              |

# Condensed Parent Company interim income statement and other comprehensive income (unaudited)

|                                                           | Jan-Mar<br>2016 | 29 May<br>to 31 Dec<br>2015 |
|-----------------------------------------------------------|-----------------|-----------------------------|
|                                                           | €               | €                           |
| Investment and related income                             | -               | 2,600,000                   |
| Personnel expenses                                        | (22,682)        | (29,158)                    |
| IPO related costs                                         | (18,301)        | (15,001)                    |
| Other operating expenses                                  | (4,652)         | -                           |
| Total operating expenses                                  | (45,635)        | (44,159)                    |
| <b>Operating (loss)/profit</b>                            | <b>(45,635)</b> | <b>2,555,841</b>            |
| Finance income                                            | 658,312         | -                           |
| <b>Profit before tax</b>                                  | <b>612,677</b>  | <b>2,555,841</b>            |
| Tax expense                                               | -               | (700,000)                   |
| <b>Profit for the period - total comprehensive income</b> | <b>612,677</b>  | <b>1,855,841</b>            |

# Condensed Parent Company interim balance sheet (unaudited)

|                                     | 31-Mar<br>2016 | 31-Dec<br>2015 |
|-------------------------------------|----------------|----------------|
|                                     | €              | €              |
| <b>ASSETS</b>                       |                |                |
| <b>Non-current assets</b>           |                |                |
| Investment in subsidiaries          | 102,080        | 54,988         |
| <b>Current assets</b>               |                |                |
| Trade and other receivables         | 7,501,545      | 1,562,225      |
| Cash and cash equivalents           | 20,066,129     | 97,496         |
| Total current assets                | 27,567,674     | 1,659,721      |
| <b>Total assets</b>                 | 27,669,754     | 1,714,709      |
| <b>EQUITY AND LIABILITIES</b>       |                |                |
| <b>Capital and reserves</b>         |                |                |
| Share capital                       | 77,168         | 66,258         |
| Share premium                       | 26,271,285     | 999,793        |
| Other reserves                      | 109,512        | 62,420         |
| Retained earnings                   | 1,188,825      | 576,147        |
| <b>Total equity</b>                 | 27,646,790     | 1,704,618      |
| <b>Current liabilities</b>          |                |                |
| Trade and other payables            | 22,964         | 10,091         |
| <b>Total liabilities</b>            | 22,964         | 10,091         |
| <b>Total equity and liabilities</b> | 27,669,754     | 1,714,709      |

## **Definitions**

Unless defined otherwise, in this report the definitions below have the following meaning:

### **Adjusted earnings per share**

Profit/loss for the period in relation to the average number of shares in issue and outstanding over the period.

### **Adjusted operating profit**

Operating profit for the year adjusted for non-recurring listing costs.

### **Adjusted operating profit margin**

Adjusted operating profit divided by revenue.

### **Adjusted profit before tax**

Profit before tax adjusted for non-recurring listing costs.

### **Adjusted profit before tax margin**

Adjusted profit before tax divided by revenue.

### **Board**

The Board of Directors of the company.

### **Company**

Catena Media plc, a company registered under the laws of Malta with registration number C 70858.

### **Earnings per share**

Profit/loss for the period in relation to the average number of shares in issue over the period.

### **Equity/assets ratio**

Equity at the end of period in relation to total assets at the end of period.

### **Group / Catena Media**

The company and its subsidiaries.

### **NDC**

New depositing customers.

### **Operating profit**

Revenue less total operating expenses.

### **Operating profit margin**

Operating profit divided by revenue.

**Operating revenues**

Revenues generated from operating activities.

**Organic revenue**

Revenue from SEO related service offering.

**Paid revenue**

Revenue earned from pay-per-click media channels.

**Catena Media UK Limited (previously known as RCM)**

Catena Media UK Limited, a company incorporated in the UK under the laws of England and Wales with registration number 07381409.