

19 November 2020

Interim report January – September 2020 Updated financial targets and reviewed strategic direction

Catena Media plc (Nasdaq Stockholm: CTM)

July - September 2020 (compared with July - September 2019)

- Operating revenue amounted to EUR 24.9m (26.4), resulting in a decrease of 6 percent.
- Organic search revenue amounted to EUR 22.5m (23.1m) resulting in a decrease of 3 percent.
- New Depositing Customers (NDCs) totalled 94,710 (99,435), a decrease of 5 percent.
- Adjusted EBITDA increased by 4 percent and totalled EUR 12.0m (11.5), corresponding to an adjusted EBITDA margin of 48 percent (44).
- EBITDA, including a reversal of exceptional costs of EUR -0.2m (0.1m), increased by 7 percent and totalled EUR 12.2m (11.4), corresponding to an EBITDA margin of 49 percent (43).
- Net cash generated from operating activities decreased by 9 percent and amounted to EUR 8.5m (9.3).
- Earnings per share amounted to EUR 0.05 (0.20) before dilution and EUR 0.03 (0.19) after dilution.
- Cash and cash equivalents amounted to EUR 45.4m (11.7) on 30 September, following the EUR 49.5m partial prepayment in relation to the outstanding bonds during July and EUR 5.0m credit facility repayment at the end of September.
- Net interest-bearing liabilities (NIBL) amounted to EUR 67.4m (150.8) on 30 September, resulting in a leverage ratio (NIBL/Adjusted EBITDA) of 1.32 (3.42).

January - September 2020 (compared with January – September 2019)

- Operating revenue amounted to EUR 79.4m (76.3) resulting in an increase of 4 percent.
- Organic search revenue amounted to EUR 72.3m (65.0m) resulting in an increase of 11 percent.
- New Depositing Customers (NDCs) totalled 318,565 (323,423), a decrease of 2 percent.
- Adjusted EBITDA increased by 23 percent and totalled EUR 39.7m (32.2), corresponding to an adjusted EBITDA margin of 50 percent (42).
- EBITDA, including exceptional costs of EUR 2.0m (0.2), increased by 18 percent and totalled EUR 37.7m (32.0), corresponding to an EBITDA margin of 47 percent (42).
- Net cash generated from operating activities increased by 28 percent and amounted to EUR 37.1m (29.0).
- Earnings per share amounted to EUR 0.08 (0.36) before dilution and EUR 0.05 (0.34) after dilution.
- Cash and cash equivalents amounted to EUR 45.4m (11.7) on 30 September, following the EUR 49.5m partial prepayment in relation to the outstanding bonds during July and EUR 5.0m credit facility repayment at the end of September.
- Net interest-bearing liabilities (NIBL) amounted to EUR 67.4m (150.8) on 30 September, resulting in a leverage ratio (NIBL/Adjusted EBITDA) of 1.32 (3.42).

Financial targets and reviewed strategic direction for the period 2021-2025

Based on the board's strategic review Catena Media plc hereby provides its decision on updated financial targets and strategic direction as follows:

Financial Targets:

- Profitable double-digit organic growth annually over the period, with the US being the core growth driver.
- Operate on a net interest-bearing debt/adjusted EBITDA interval of 0-1.75.

Strategic direction:

- Net cash generated from operating activities estimates to be in the interval of EUR 300-370m during the period and will be used for dividends, and/or share buy-back programmes, as well as strategic M&As.
- The Board's ambition is to propose a quarterly based dividend of SEK 0.65-0.75 per share and quarter starting during the second half of 2021.
- The company foresees a continued strong demand for iGaming affiliate services, especially within regulated markets.
- The US business will be a core revenue driver, supported by continued geographical expansion into Latin America, Asia and certain central European markets. Additionally, continued restructuring of the existing business in Europe for increased market share and cost efficiency.
- No further investments will be made in the Financial Services segment.
- The company will positively evaluate investments into M&A's to further strengthen its position in strategic markets.
- The company will refinance the existing bond in 2021 with financing terms adapted to the new lower debt/equity ratio.

“Continued strong performance in the US and the recent strategic review reveal a bright future.”

Per Hellberg, CEO

Key Takeaways for the third quarter 2020

- Increased adjusted EBITDA by 4% to EUR 12.0m.
- Total revenues decreased by 6% with organic search revenues decreasing by 3% as reduced PPC spend only impacted paid revenues. New Depositing Customers (NDCs) decreased by 5%.
- The Sports segment has been impacted by Covid-19 and started to grow back during the quarter as sport events returned.
- The European legacy Casino segment has experienced negative impacts from the Google update in May, particularly in Germany.
- The Casino businesses in Japan and AskGamblers have both been showing strong growth.
- The US iGaming business has been developing well with double-digit growth and represented 30% of the Company's total revenues during the third quarter.
- Continued high investments into the US market to maintain our dominant No.1 position.
- The business and organisation successfully adapted to continuous challenges from Covid-19 impacts around the globe.

For further information, please contact:

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About Catena Media

Catena Media has a leading position within online lead generation. The company has about 400 employees in US, Australia, Japan, Serbia, UK, Sweden, Italy and Malta (HQ). The company is listed on Nasdaq Stockholm. Further information is available at www.catenamedia.com