

# INVITATION TO TENDER FOR THE PROVISION OF INDEPENDENT EXTERNAL AUDIT SERVICES

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# 1. INVITATION TO TENDER FOR AUDIT SERVICES

## Introduction

The board of directors (the “**Board**”) of Catena Media p.l.c. (the “**Company**”) has resolved to conduct a public tendering process in order to select a suitable auditor for the Company and its material subsidiaries (the “**Group**”) commencing from the financial year ending 31 December 2025. The purpose of this letter (the “**Invitation to Tender**”) is to invite and guide interested parties (“**Bidders**”) to participate in this process. Further information about the background, scope and project timetable are contained in this document.

## Background on the Company and the Group

### Company and Group Overview

Catena Media plc, registration number C70858, is a public limited liability company registered under the laws of Malta. As the ultimate holding company within the Group, its primary purpose is to receive dividend income from its main operating entities, Catena Operations Limited (C 62481) and Catena Europe Limited (C 102244), both Malta-registered entities. The Company is publicly listed on Nasdaq Stockholm’s main market (a ‘regulated market’ for the purposes of Directive 2014/65/EU (‘MiFID II’)) under the Mid Cap category.

### Core Activities

The Group's principal business involves utilising online marketing techniques to attract consumers and subsequently directing them to its clients. These clients are primarily companies operating in online sports betting and casino industries.

### Group Structure

Catena Operations Limited (C 62481) serves as the main operating company within the Group and oversees several subsidiaries:

- Catena Media Sverige AB – Registered in Sweden.
- Catena Media UK Limited – Registered in the United Kingdom.
- Catena Media US Inc. – Registered in the United States, which further owns:
  - Lineups.com Inc. – Registered in the USA.
  - Catena Media Canada Ltd – Registered in Canada.
- Catena Media K.K. – Registered in Japan and currently in liquidation.

Catena Europe Limited (C 102244), is also a group entity registered in Malta and is anticipated to commence operations in 2025.

As is normal for a listed Company, a full corporate and investor relations website is available at <https://www.catenamedia.com/>, containing an archive of annual, interim and quarterly financial reports, information about the Company’s shares, shareholders, board of directors and other corporate governance and business matters. Statutory financial statements of the Company and of the material subsidiaries are filed with the relevant local authorities (e.g. Malta Business Registry). It is assumed that all Bidders will use the publicly available material as a resource for their bid.

## 2. STRATEGIC REVIEW & GOVERNANCE CHANGES

A new product-oriented operating model was embedded with the aim of optimising return to growth, by sharpening product focus and targeting investments made into the Group's brands. The new model was also a significant step to replace the former geographical organisational structure which helped to establish clear accountability at all levels. A new executive management team was set up during 2024 with the latest member being Liv Biesemans joining as Chief Legal and Compliance Officer.

## 3. ACCOUNTING

The Group's consolidated financial statements are prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the European Union ("EU") and in accordance with the Maltese Companies Act (Cap. 386 of the laws of Malta) (the "**Companies Act**"). All entities within the Group utilize Microsoft Dynamics 365 Business Central on premise ERP for managing core business functions, including accounting services, supplier invoice management, customer invoicing, and payments.

Consolidated financial statements are prepared monthly, supported by forecasting and analysis reports generated in our planning, budgeting and forecasting solution, Planful. This tool integrates data continuously from the Group's ERP system, enabling efficient reporting and analysis. Monthly reports include a debtors ageing analysis, cashflow statement, product-level profit and loss statements, and month-on-month cost variances against forecast. These reports are reviewed by the Board during a scheduled monthly meeting.

The Group operates on a fiscal year aligned with the calendar year. In line with regulatory requirements, the Group's annual report is made publicly available both via the Officially Appointed Mechanism operated by the Malta Stock Exchange as well as on the Company's website

## 4. BACKGROUND TO THE CATENA MEDIA GROUP AUDIT

### 4.1 PwC Appointment

PwC Malta has served as the Company's auditor since their appointment in August 2015. In addition to conducting the Group audit, PwC Malta is also responsible for auditing all local (Maltese) entities within the Group. PwC Malta is also actively engaged at each quarterly stage, reviewing the Group's reports and participating in ongoing discussions regarding technical matters.

### 4.2 Principal Business Risks

Like any business, the Group is exposed to a range of external and internal factors that have the potential to cause fluctuations in the group's financial position, results of operations and share price. The Group applies a risk control process that monitors, and seeks to minimise risk with the aim of establishing a stable environment conducive to achieving sustainable shareholder value over time.

The principal business risks associated with the Group's operations include:

- Revenue share model risk
- Customer agreement risk
- Cyber and IT system risk
- Privacy risk
- Theft risk
- Recruitment and retention risk

The Group is also exposed to Financial risks, Market risks, Legal and regulatory risks and Social risks. Further detail can be found in the Risks and risk management section on pages 37-41 of the Group's latest annual report 2023. The 2023 annual report is available on the Company's website: <https://www.catenamedia.com/wp-content/uploads/2024/04/catenamedia-annual-report-2023.pdf>

## 5. REASON FOR AUDIT TENDER & DECISION MAKING PROCESS

### 5.1 Audit Tender

The decision to conduct this tendering process was taken by the Board on the recommendation of the Company's audit committee (the "**Audit Committee**"). This tendering process is being carried out in line with article 151A of the Companies Act and articles 16 and 17 of Regulation (EU) 537/2014 (the 'Audit Regulation'). The purpose of this tendering process is for the Company to receive and evaluate proposals for the selection of a new auditor or the reappointment of its existing auditor.

### 5.2 Decision Making Process

The Audit Committee oversees the entire selection process for the statutory auditors. After evaluating proposals, the Audit Committee will submit its recommendation to the Board. The Board will then forward its recommendation to the Company's nomination committee, which will subsequently propose the appointment of the auditors to the Company's shareholders at the annual general meeting of the Company to be held in 2025 (the "**2025 AGM**").

Please refer to Section 8 (*Selection Criteria*) below for a description of the selection criteria that the Company will apply when assessing bids.

### 5.3 Relationship with auditors

The Company maintains a constructive and open relationship with its auditors. It considers the below key elements to be important in its relationship with the auditors:

- Quality is paramount, and it is essential for the Board and shareholders to have full confidence in the integrity and excellence of the audit process. The focus should be on high quality audits and consistent delivery.
- Clear and timely communication and resolution of issues – this depends on two-way

communication (i.e. the Company has to be transparent with the auditor and raise new issues in advance so that accounting implications can be determined in advance of a reporting period. Similarly, the auditor needs to raise questions or concerns with management on a timely basis to ensure appropriate resolution).

- Good business understanding – the Company's priority in this tender is on the core fundamentals of the audit rather than additional consultancy services. Considering auditor independence requirements, the Company does not anticipate the Group auditors being permitted to provide substantial non-audit services, even if permissible. The Company operates in a regulated environment, marked by rapid market and technological evolution. It is therefore critical that the auditor's team possesses sufficient industry knowledge to effectively understand and address business and accounting challenges.
- Technical expertise and support - Collaboration on technical matters and complex accounting issues is key.
- Proactivity, ideas and strategies - An important consideration is the extent to which the audit teams demonstrate proactivity, offer innovative ideas, and commit to continuously enhancing their service to the Company. The ability to anticipate challenges, propose effective solutions, and identify opportunities for improvement is key to adding value beyond compliance and ensuring a high-quality audit process.
- Compliance and Governance - Ensuring adherence to applicable regulations and standards is a critical aspect of the audit process. Equally important is alignment with corporate governance practices and the expectations of the Audit Committee. This ensures not only regulatory compliance but also the maintenance of transparency, accountability, and trust within the organisation.
- Value for money – Aligned with the Group's overall strategy, the proposals must demonstrate strong value for money. This does not imply prioritizing the lowest cost but rather ensuring a balance between cost-effectiveness and the high standards of quality and efficiency outlined in the other criteria. Where quality and efficiency are comparable among proposals, cost-effectiveness will be a determining factor in the evaluation process.
- Long-term relationship building - Establishing trust and mutual respect over time is fundamental to a successful partnership. Regular meetings between auditors, management, and the Audit Committee play a vital role in fostering collaboration, ensuring alignment on objectives, and addressing challenges proactively. Building a strong, enduring relationship is essential for maintaining audit quality and organisational trust.

## 6. REGULATORY CONSIDERATIONS

As a public limited liability company registered under the laws of Malta, the Company is required to prepare and publish audited stand-alone and Group consolidated accounts in terms of the Companies Act. Moreover, as a company listed on a regulated market in the EU, the Company is also subject to all transparency requirements in terms of applicable European legislation, including the obligation to publish both annual and quarterly financial reports in terms of Directive 2004/109/EC (the 'Transparency Directive'), which annual financial report

is to be published in compliance with the European Single Electronic Format (“ESEF”) framework.

Moreover, as an EU member state, Maltese public interest entities (such as the Company) are subject to rules on auditor rotation.

Given that the Company is listed in Sweden, it is also subject to the relevant Listing Rules of Nasdaq Stockholm, which can be found at: <https://www.nasdaq.com/market-regulation/nordic/stockholm>

## 7. TENDER REQUIREMENTS

Responses to this Invitation to Tender must be submitted in English, preferably in PDF format, and sent by email to the main contacts listed in Section 10 (*Project Governance & Contact*) before the tender deadline date outlined in section 11 (*Project Timetable*) below.

- The tender should make clear how the plan is to manage the audit.
- A key part of Catena Media’s assessment of the bidders will be our judgement of the overall team’s awareness of and sensitivity to Maltese and Swedish issues and perspectives. Key considerations include:
  - Understanding the business
  - Identifying and prioritising key areas of risk
  - Anticipating potential issues and proposing practical, innovative solutions.

### 7.1 Scope of work

The assignment concerns audit services covering the entire Group and includes all operations. In this regard, the scope of work to be quoted for by Bidders must include:

- i. An ESEF-compliant audit of both the Company’s stand-alone, as well as the Group consolidated, annual financial statements,
- ii. an audit of the annual financial statements of Catena Operations and Catena Europe,
- iii. an interim review of the Company’s Q3 report.

In addition, the selected auditor will also be expected to review our interim reports and discuss any significant matters that may arise throughout the year.

Selected auditors shall be required to report their observations at each audit occasion. Reporting should be in writing and include observations, recommendations, and summary assessments of the management of the operations. Reporting is first made to the Group Management and the Company’s finance function, followed by subsequent reporting to the Audit Committee. Results are published to the market by stipulated deadlines which need to be adhered to.

Should a proposal and/or pricing structure take into account of different assumptions on the scope of work (whether to increase or reduce the scope), the nature of and reason for the

scope change and the estimated impact on the corresponding fee proposal should be clearly explained .

## 7.2 Information to include in the bid

Responses submitted can be structured and displayed at each Bidder's discretion. The Company wishes the following information to be included in the proposal/bid:

- Fee/compensation for the services requested (both on a blended and individual hourly rate basis);
- Description of the Bidder (organisation, previous assignments, and competence) and ability to provide the audit services being requested;
- Description of any onboarding requirements and whether any internal approvals are required before the Company and the Group can be onboarded as clients of the Bidder (a description of the estimated timeframe required for these matters would also be appreciated);
- Description of the Bidder's approach to audits as well as its plan to carry out and manage the audit of the Company and its subsidiaries and how the Bidder plans to do this in an efficient and cost-optimised way and tailored to the Group's business environment. This description must also include information of how the Bidder can give comfort to the Company that it satisfies the elements which the Company deems to be important in its relationship with the auditors (as referred to in Section [5.3] (*Relationship with auditors*));
- Reporting forms, timetables;
- Description of availability of the signing auditor and the audit leader;
- Description of how the relevant auditor may contribute towards the Company's aim to deliver high-quality financial information to relevant stakeholders;
- How the Bidder utilises digital audit tools and data analysis. A description of how working with IT and analysis tools provides the Company with a better and more efficient audit;
- The Bidder should demonstrate that it understands the business of the Company, and the entire Group;
- The Bidder should demonstrate its awareness of, and sensitivity to, Maltese and Swedish issues and perspectives which the Company and the Group face from time to time;
- A description of how the Bidder anticipates, identifies and prioritises key areas of risk potential issues;
- A description of the Bidder's rigor, flexibility, and commitment to adding value to the Group's financial and operational processes;
- Description of how the Bidder works to be proactive and inform the Company about developments in accounting and reporting;
- How the auditors may support the Company in the area of sustainability and sustainability reporting within the framework of this assignment;
- Relevant references regarding companies of similar size and operations in the sector.

Proposed fees should be provided for the years 2025 to 2027 and should explain clearly any assumptions which were made around both the prior year file review and opening balances



work, and the first full audit for 2025 as well as any factors that would motivate a material change in fees in future years. Auditor re-appointment occurs on an annual basis according to the Company's Corporate Governance rules.

## **Team**

Proposal document should identify by name at least the following roles:

- Malta Lead Audit Partner
- Malta Senior Manager/Director
- Any Industry or Technology specialists that will play a significant role in the audit

For each named individual, Bidders are expected to provide a short CV highlighting their credentials for the role. The Company will place more weight on its assessment of the relevant experience of specific team members presented, rather than on general statements of credentials of bidding firms.

Bidders should also explain any applicable criteria for replacing/rotating team personnel (either due to resignations or due to regulatory rotational requirements) to show how they plan to secure continuity of service quality as the team changes over time.

## **Avoidance of Conflicts of Interest**

The Company appreciates that the credentials of audit teams will be influenced by their personal experience of working in the online gambling industry. Nonetheless, it is important for the Company to have a transparent process to avoid actual or potential conflicts of interest with direct competitors. Proposals should therefore explain how Bidders work to avoid such conflicts.

## **Business and Accounting Issues**

Proposals should include a short section (maximum 2 pages) highlighting what Bidders consider to be the key business and accounting issues facing the Company in the next 3 to 5 years.

## **ESG Requirements**

In addition to the current core requirements for the Group financial audit, the Company is also keen to understand Bidders' capabilities regarding ESG audits. Given that the Group is in the early stages of this workstream, the Company is only looking to understand Bidders' capabilities and availability at this stage, and Bidders' response to this section will not likely factor into the award of the main Group financial audit.

## **7.3 Eligibility**

This Invitation to Tender is open to all auditors and audit firms who are suitably qualified to render services as a statutory auditor of a public-interest entity in terms of applicable EU and the national legislative frameworks. Any bids or proposals submitted by any person who is not so qualified will be automatically disregarded.

## 7.4 Other Tender Conditions

Any proposal / bid must specify what is included in the fee/compensation and whether anything is charged separately. The proposal / bid should be based on the assumption that internal control and accounting are functioning well, as is typical for a company of this size. This includes the preparation of financial statements according to the timeline, well-documented financial statements, and a good standard of accounting and internal control. The proposal / bid must specify how expanded efforts will be handled if it becomes necessary and the impact on the bid fee. Invoicing for audit services is expected to be quarterly, in a well-specified form with a clear invoice recipient.

### Information

The Company intends to make the following available to all Bidders:

- All materials and documents available on the Company's website <https://www.catenamedia.com/investors/financial-reports-and-presentations/> are considered as available to all Bidders and extra copies will not be provided. This includes all published annual and quarterly reports of the Group, related presentations, press releases and information about corporate governance.
- Copies of the audited financial statements of Catena Europe and Catena Operations are also publicly available on the website of the Malta Business Registry ([https://register.mbr.mt/app/query/search\\_for\\_company](https://register.mbr.mt/app/query/search_for_company)) and are considered as available to all Bidders.

The Company's intention is that information and access will be provided equally to all Bidders, meaning that any additional information provided in response to requests by a particular Bidder, will also be made publicly available on the Company's website.

## 8. SELECTION CRITERIA

The Company will assess bids and proposals based on the criteria described in the second column of table below. Each of these criteria has a specific weighting as set out in the column titled 'Weighting'. The Audit Committee shall be responsible for determining each Bidder's score for each criterion. The Audit Committee shall have the right to disqualify a bid if nil marks are allocated to any one criterion:

Number	Criterion	Weighting
i.	Quality of the proposal document submitted, and its level of adherence to the requirements set out herein	20%
ii.	The information and responses provided to the Company in the proposal document addressing the various information requests set out in Section [7.2] ( <i>Information to include in the bid</i> );	20%
iii.	Objective indicators regarding the reputation of	10%

	the Bidder;	
iv.	Bidders' ability to maintain a constructive and open relationship with the Company throughout the term of the engagement;	10%
v.	Industry specific knowledge / experience of the Bidder;	10%
vi.	Proposed fees (including disbursements), inclusive of VAT and any other taxes (if applicable).	30%

## 9. RESULTS

Unless required by any regulatory authority, the Company shall not publish the results from the tendering process.

The Company shall endeavour to inform unsuccessful Bidders that their respective bids / proposals were not accepted by no later than February 21, 2025, or such other date as may be determined by the Board. The Company shall not have the obligation to explain why a bid or proposal was not accepted.

## 10. PROJECT GOVERNANCE & CONTACTS

The Project will be managed by Michael Gerrow, Chief Financial Officer and Christina Chircop, Finance Director. Please direct any tender queries and communication to both of the primary contacts, [mike.gerrow@catenamedia.com](mailto:mike.gerrow@catenamedia.com) and [christina.chircop@catenamedia.com](mailto:christina.chircop@catenamedia.com).

The Company intends to run a fair and transparent process where all Bidders have the same access to the Company's personnel and information. The Company reserve the right to make available on its website any questions and answers which it deems necessary, maintaining tenderer confidentiality.

All contact with the Board and employees should be co-ordinated through the above primary contacts.

Any Bidder that seeks to contact or influence other employees or Board members without arranging such contact through the above contacts may be excluded from the process without any further notice.

No entertainment should be offered to any employee or director of the Group in the period between the date of issue of this Invitation to Tender and the award of the contract (this prohibition includes making any offer of entertainment that will take place after the tender process is complete). Any Bidder that is in breach of this requirement may be excluded from the process without any further notice.

## 11. PROJECT TIMETABLE

The project timetable is set out below, with final review by the Audit Committee in [Q1 2025],

prior to the Board meeting in February 2025 that will determine the recommendation to the 2025 AGM.

<b>Date</b>	<b>Event</b>
January 17, 2025 18.00 CET	<u>Deadline for proposal submission</u>
February 6, 2025	<u>Audit Committee meeting</u> Evaluation, discussion and proposal of auditor
February 10, 2025	<u>Board meeting</u> Approval following Audit Committee recommendation
February 2025	Final recommendation to Nomination Committee
February/ April 2025	Proposal of Auditor Appointment by Nomination Committee to be included in the notice to the AGM
May 2025	<u>2025AGM</u> Final approval of auditor

## 12. OTHER

Bidders shall bear their own costs associated with the preparation and submission of its response and other information required to be submitted with the response or in attending pre or post response meetings, discussions, or in carrying out any activity associated with responding to this Invitation to Tender.

All bids and proposals submitted will be treated in strictest confidence.

The Company reserves the right to withdraw this Invitation to Tender at any time or to re-invite bids on the same or any alternative basis. In such circumstances, and in any event, the Company and/or its advisers shall not be liable for any costs or loss of expenses whatsoever incurred by the Bidder or any company, agent, subsidiary or organisation who may have contributed to the proposals submitted by the Bidder in response to this Invitation to Tender .

The Company will assume that bids which it receives will remain open for acceptance for a minimum of one hundred and eighty (180) days from the bid deadline or for such other period as may be specified by the Company unless otherwise specified.

END OF DOCUMENT