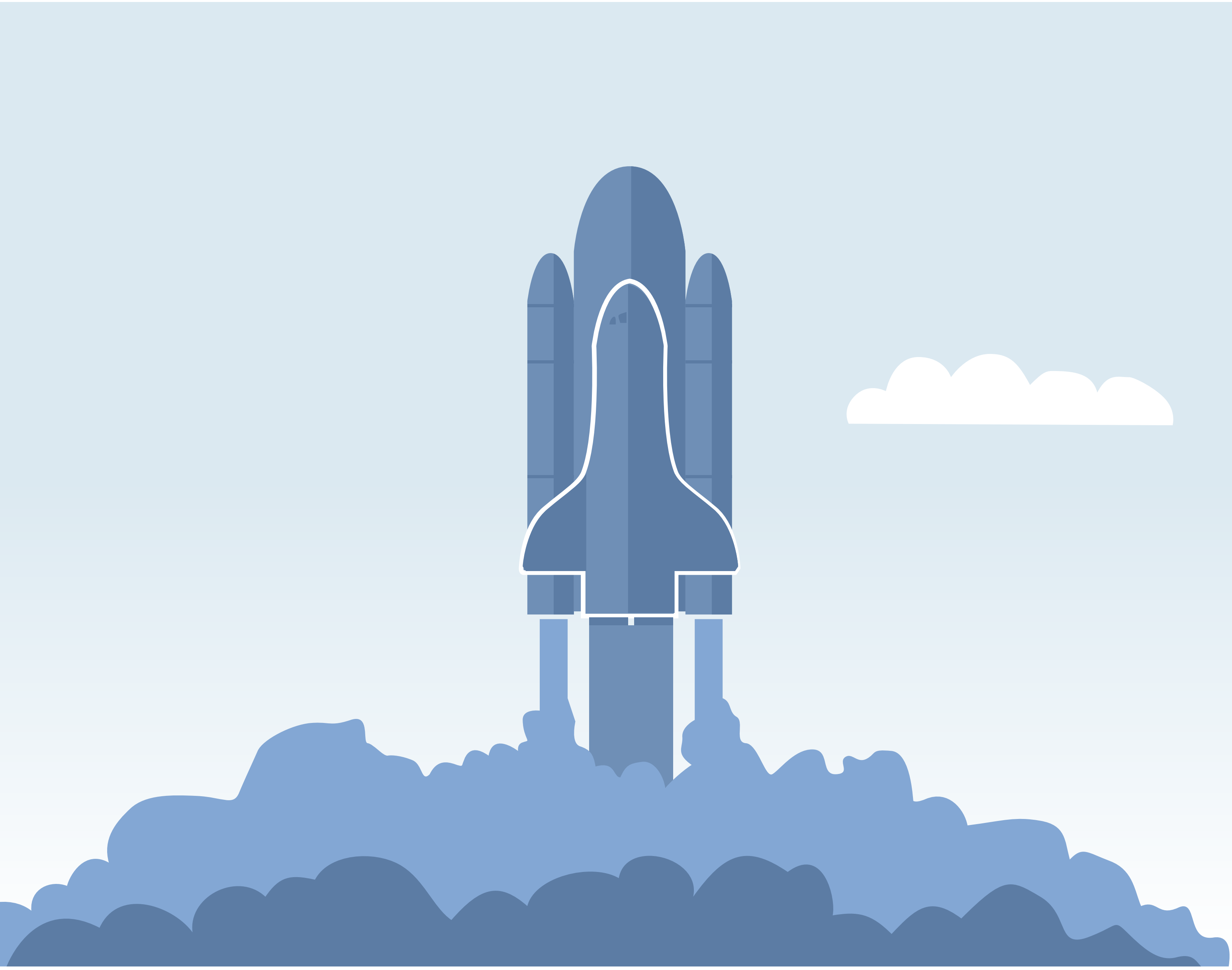
CATENA MEDIA

ANNUAL REPORT 2015



catenamedia

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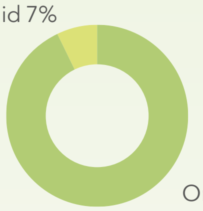
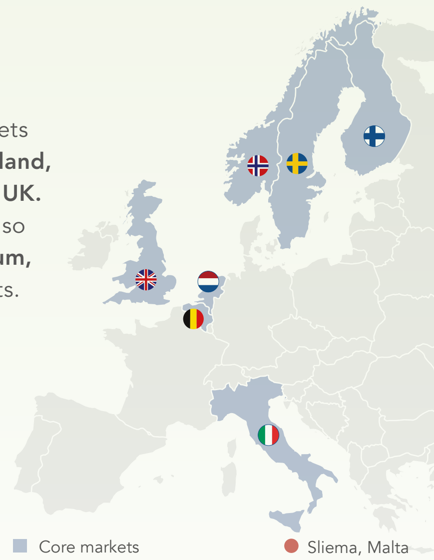
CATENA MEDIA is one of the fastest growing European companies in performance marketing and lead generation on the internet. Catena Media is almost exclusively active within the iGaming industry. The company attracts online players through various products and services, and directs them to a number of B2B customers, meaning iGaming operators such as Betsson, Mr Green and others.

REVENUE SPLIT



Catena Media attracts end users and generates revenue by using two primary online marketing methodologies, organic traffic by search engine optimization (SEO) and paid media by using pay-per-click (PPC)

Catena Media's core markets are **Sweden, Norway, Finland, the Netherlands**, and the **UK.** As of March 2016 we are also present in **Italy** and **Belgium,** which are new core markets.



MISSION: Catena Media's mission is to provide the most valuable online and mobile leads for customers active in the iGaming sector.

VISION: Catena Media's vision is to become the world's number one provider of high-value iGaming leads.

HIGH-LIGHTS 2015

284%
Revenues totaled EUR 14.94 million (3.89), an increase of 284% compared with the same period for the previous year.

EUR 10.16 million
Adjusted profit for the period before tax excluding non-recurring IPO expenses amounted to EUR 10.16 million (2.21).

68%
Adjusted operating profit excluding non-recurring IPO expenses amounted to EUR 10.15 million (2.22), corresponding to an adjusted operating margin of 68% (57%).

EUR 8.98 million
Operating profit increased to EUR 8.98 million (2.22), corresponding to an operating margin of 60% (57%).

EUR 9.00 million
Profit for the period before tax amounted to EUR 9.00 million (2.21).

134%
During 2015, Catena Media engaged 69,331 (29,661) new depositing customers. An increase of 134%

Right Casino
Catena Media acquired Right Casino Media Ltd ("RCM") in the UK

EUR 0.19880
Earnings per share amounted to EUR 0.19880 (0.04222).

SUMMARY OF FOURTH QUARTER AND THE YEAR-END 2015, GROUP

EUR	Oct–Dec, 2015	Oct–Dec, 2014	Jan–Dec, 2015	Jan–Dec, 2014	Period from 4 Nov 2013 to 2014
Operating revenues, EUR	5,898,148	1,450,985	14,938,857	3,888,107	4,279,876
Operating profit, EUR	2,904,297	871,512	8,983,237	2,222,081	2,611,596
Operating profit marg, %	49	60	60	57	61
Adjusted operating profit, EUR[1]	3,619,694	871,512	10,149,077	2,222,081	2,611,596
Adjusted operating margin, %[1]	61	60	68	57	61
Adjusted profit before tax, EUR[1]	3,617,058	866,051	10,164,567	2,213,183	2,602,703
Adjusted profit before tax margin, %[1]	61	60	68	57	61
Earnings per share, EUR	0.06347	0.01540	0.19880	0.04222	0.04926
NDC	24,779	8,084	69,331	29,661	32,570
Equity to asset ratio, %[1]	44	35	44	35	35

[1] Adjusted for non-recurring IPO expenses of EUR 0.72 million in Q4 2015. Total IPO costs for the year ended 31 December 2015 amounted to EUR 1.17 million.

ACQUISITIONS IN 2016: During the first months of 2016, Catena Media has completed several acquisitions, including the affiliate website AskGamblers.com, Wonko Media and an affiliate network comprising several websites. These acquisitions are well-suited to Catena Media's existing portfolio and are also fully in line with the Group's growth strategy.

CEO'S COMMENTS

2015 could be summarised as the most successful year since Catena Media started. It was a year with vigorous growth, several acquisitions, strong key figures and an exponential rise in the number of employees. During the year work also began with the company's IPO – an important milestone in our history. Catena Media's listing on the First North Premier exchange was successfully completed in February 2016.

Catena Media posted extremely strong growth in 2015. Revenue rose 284 per cent to just under EUR 15 million in conjunction with an improved profit margin. During the year, we directed almost 70,000 new players to our customers, the casino operators. This means an increase of 134 per cent compared with 2014. We also noted a highly positive quarterly trend, with increasing revenue and a growing number of new players.

EFFICIENT AND SCALABLE OPERATIONS

Our organic growth confirms the strength of our business model. We are working hard to develop our websites and keep them continuously updated with high-quality content adapted to our core markets. We have made this work more efficient by developing our own platform, Catena Core. Constant improvements to our search engine optimisation methods are also helping confirm our status as a preferred marketing partner for our customers. In order to consistently offer a high level of quality to both online players and customers, we utilise various business intelligence tools that enable us to monitor and analyse the conversion rate, in other words, visitors to our websites who then become new players with our customers.

With our stable core operations as a foundation, the company underwent a number of changes during the year. We grew significantly – from around ten employees in January 2015 to well on the way to a hundred at the end of the first quarter of 2016. A number of senior executives were recruited during the year, with the Chief Financial Officer and Human Resources Director recruited in 2015 and the Chief Commercial Officer recruited at the beginning of 2016. I joined Catena Media as CEO in May 2015. The company also underwent a transition to comply with the laws and requirements that a listing entails, particularly in terms of communication and reporting to the stock market.

STRATEGIC DIVERSIFICATION AND CLEAR ACQUISITION AGENDA

Growth by way of strategic acquisitions is and will remain a central part of our strategy. A considerable share of the growth seen in 2015 was also generated by the acquisitions made during the year. One of several good examples of how strong our market position is was the acquisition of the British firm Right Casino Media (RCM) in October. By acquiring RCM, we expanded our operations from solely directing organic traffic to include pay-per-click (PPC). In short, this means that we pay search engines for certain search terms to thereby direct traffic to the platforms. The acquisition was also of strategic importance, as RCM mainly operates in the UK and other regulated markets. Our experience operating in the UK market will be valuable in terms of future expansion into other regulated markets.

At the beginning of 2016, we completed three other exciting acquisitions. The first was an affiliate network operating mainly in Italy and Belgium, which are countries that represent new and regulated markets for Catena Media. The second was the Swedish firm Wonko Media, which has a broad base of established portals and

FINANCIAL TARGETS

GROWTH TARGET

Short to medium-term, 2016–2018: An average annual revenue growth in excess of 75%, including impact from acquisitions

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

MARGIN TARGET

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

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

DIVIDEND POLICY

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

an attractive online casino player database. However, the biggest acquisition was AskGamblers.com, which is one of the most renowned affiliate websites in iGaming. AskGamblers.com operates one of the market's largest web portals for player reviews and online casino ratings. The acquisition is the largest to date in Catena Media's history and means that we have reinforced our already strong team of employees with some 30 new colleagues, who will contribute key skills in areas such as technology development. I am very much looking forward to the continued integration of our new companies, which comprises a development that is fully in line with our vision of becoming the world's leading provider of value generating iGaming leads.

A MARKET OFFERING MAJOR OPPORTUNITIES

Catena Media's markets are characterised by substantial versatility and continued strong growth; particularly within the mobile segment and in the European markets that have recently been regulated. Obviously, Catena Media's position is to continue to be at the forefront, for example through responsive websites that meet demand from players who principally want to use mobile phones or tablets. The recent acquisitions will also help to further strengthen our position in regulated markets as well as our offering to licensed operators. All things considered, this gives us a head start compared to many of our competitors. For Catena Media, it is now a question of maintaining our high momentum by integrating the acquisitions efficiently and taking further steps toward consolidation of the affiliate market.

ADVANTAGES FOR CATENA MEDIA FOLLOWING A SUCCESSFUL LISTING

The work initiated in 2015 with the preparation for a market listing of the company's shares resulted in a successful listing on the First North Premier exchange in February 2016. We can see numerous advantages with being a listed company. The increased transparency helps to strengthen our brand, which is important not least for our relationships with casino operators. As a listed company, we also have better opportunities to grow and quickly adapt 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 establishment in new markets.

THE PEOPLE BEHIND OUR SUCCESS

Together with our fantastic employees, the management team and I will continue the journey the company has only just set out on. The aim of achieving our financial targets remains firmly in place, of course, as will deliveries in line with our value proposition to both players and casino operators. We are also conscious of the fact that a key factor of our success is the ability to continuously satisfy our need for new recruits to the company. To meet these skills and recruitment needs, a new organisational structure was implemented in the second half of 2015, with the aim of increasing efficiency and flexibility, and positioning us for continued growth moving forward.

To conclude, I would like to give my heartfelt thanks to all shareholders, both new and old. I would also like to thank my colleagues for the fantastic work they do every day. I am convinced that, together, we have the conditions we need to become a global leader in terms of directing valuable internet traffic to our customers.

Malta, April 2016

ROBERT ANDERSSON, *CEO Catena Media*

BUILDING UP BUSINESS IN A DYNAMIC MARKET

Catena Media operates on a growing, European iGaming market. One of the main drivers is technological development, which increases accessibility and improves the gambling experience for online players.

The iGaming market in Europe is expected to grow on average by 5,1 per cent annually during the period 2014 to 2018.[1] Growth in the iGaming market means that iGaming operators increase their marketing efforts in digital channels, which benefits Catena Media as its operations are based on increasing the online visibility of iGaming operators, and online casinos in particular. To continue its role as preferred marketing partner among its customers, Catena Media is working hard to develop its product and service offering. The next generation of Catena Media's technical platform is already in development. The trends and drivers that have an impact on Catena Media's business are presented below.

GROWING SHIFT FROM LAND-BASED GAMBLING TO IGAMING

Online casinos are expected to represent an increasing proportion of the global casino market. The trend towards a higher share of gambling within iGaming compared to land-based gambling is largely driven by the increased convenience and accessibility of iGaming offerings as a result of technological developments in the iGaming industry.

GREATER ACCESSIBILITY

The growing use of smartphones and tablet devices along with the possibility of gambling on smart TVs is changing the demographics of online players. The flexibility of mobile technology makes online casino games more accessible to an audience that was not previously associated with the iGaming or online casino market. The audience is now expanding to include younger players as well as a higher proportion of female players.

GREATER INTERNET PENETRATION

Access to computers and the internet is continuing to increase, meaning internet penetration is rising globally which in turn means that the gambling experience for online iGaming players must follow this trend.

The trend of rapidly increasing bandwidth capacity also puts pressure on operators to improve the quality and features of the gambling experience for online players, in order to attract new, and retain existing, online players.

NEW LAWS AND REGULATIONS

New laws and regulations (re-regulation) for casino services have both positive and negative effects on the online casino market. For example, while re-regulation generally results in increased awareness of online casinos and makes them more accessible to online players, it also puts pressure on iGaming operators who need to apply for local licences and adhere to national regulations in their respective geographic markets. Catena Media's view is that re-regulation generally increases the overall demand for iGaming and online casinos, thereby having a positive effect on the market as a whole.

[1] Source: 'Global Online Gambling', MarketLine (February 2015); H2 Gambling Capital; 'Online Gaming Should Continue Its Winning Streak in 2015', Dundee Capital Markets (January 2015)

NATIONAL REGULATIONS ADAPTED TO IGAMING

The gambling industry is regulated at national levels, and regulatory reviews are now taking place in several of Catena Media's core markets to adapt them to regulate iGaming in addition to traditional gambling. Catena Media's assessment is that re-regulation is generally positive for the development of the iGaming market.

THE NETHERLANDS

The most current re-regulation is that of the Dutch market, where the parliament is expected to take a decision in 2016. It is as yet unclear which tax rate and terms will be applied. The Netherlands is currently one of the most regulated markets, with bans on casino advertising both on and offline. Gambling operators are also not allowed to have websites written in Dutch. Re-regulation of the market is likely to result in increased marketing efforts on the part of gambling operators. This would have a positive effect on market growth as more players would look up online casinos. Re-regulation and an increase in accessible marketing channels would also mean that gambling operators would be less dependent upon affiliates. A tax on gambling operators would also be introduced, which would impact affiliates as they would bear some of this cost.

The strong market growth is deemed to largely outweigh this disadvantage, however, and overall both affiliates and gambling operators are deemed to benefit from any re-regulation. Affiliate traffic will also play an important role for new players wanting to enter the market.

SWEDEN

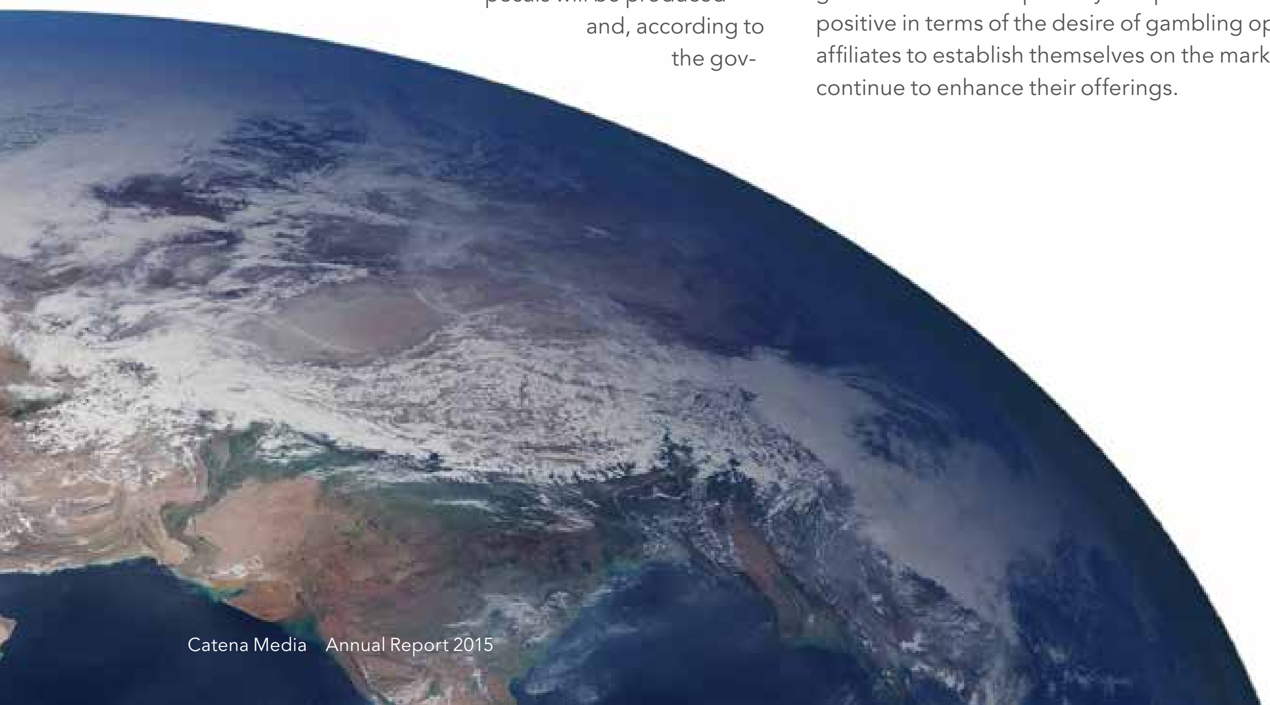
There are also ongoing discussions in Sweden concerning re-regulation, and a committee was set up to investigate the issue in 2015. New proposals will be produced and, according to the government, some form of re-regulation could come into force during 2018 at the earliest. As gambling operators already market themselves in spite of restrictive regulations in Sweden, re-regulation is not expected to lead to such extensive market growth here as in the Netherlands. Taxes introduced for gambling operators are expected to also affect affiliates in the long term.

NORWAY AND FINLAND

Both Norway and Finland are currently a long way from any kind of re-regulation. These markets are positioned directly between Sweden and the Netherlands in terms of how strictly regulations are applied. Norway is slightly closer to Sweden and Finland slightly closer to the Netherlands in this regard. When some form of re-regulation does take place for these markets, it will likely lead to a very positive effect on market growth, similar to the Netherlands, which will also benefit affiliates.

UK

The British market has already been re-regulated under a legal framework governing iGaming and online casinos. This means that gambling operators need to apply for a licence and pay tax; currently 15% of gross profit. Both gambling operators and affiliates are free to advertise their services through all media channels, for example via paid keywords (pay-per-click). Overall, this has led to greater market transparency and predictability, which is positive in terms of the desire of gambling operators and affiliates to establish themselves on the market and to continue to enhance their offerings.



HOW WE CREATE VALUE

Catena Media creates value for both customers and players. The Group's business intelligence tools and market-leading competence in terms of search engine optimisation create valuable customer contacts for online casino operators, while content in the form of player reviews, top lists and news help online casino players evaluate different gambling options.

Catena Media acts as a link between supply and demand in the online casino market and its role is to provide high value leads consisting of potential end users to the online casino operators.

By operating more than 3,000 specialised websites with a focus on high quality content, Catena Media referred close to 70,000 NDCs in 2015 to more than 300 iGaming customer brands. The acquisition of Right Casino Media added over 100 new customer brands and we therefore currently work with over 300 customer brands. While potential players previously had to visit multiple websites to gain access to and perform their own analysis of their preferred online casino, Catena Media now offers potential players a solid analysis and mapping of the online casino segment by running websites that provide relevant high quality content to match each potential player's individual preferences and requirements.

VALUE TO ONLINE CASINO OPERATORS

The online casino market is highly competitive, with casino operators often competing for the same players and with small differences in their respective product offerings. The highly competitive environment leads to lower customer loyalty and higher churn rates. Through its websites Catena Media is able to offer its customers high value leads, which could otherwise be challenging and expensive for the online casino operators to attract themselves. Our strong ability to generate high value leads and potential end users make us a preferred partner for user acquisition among the online casino operators.

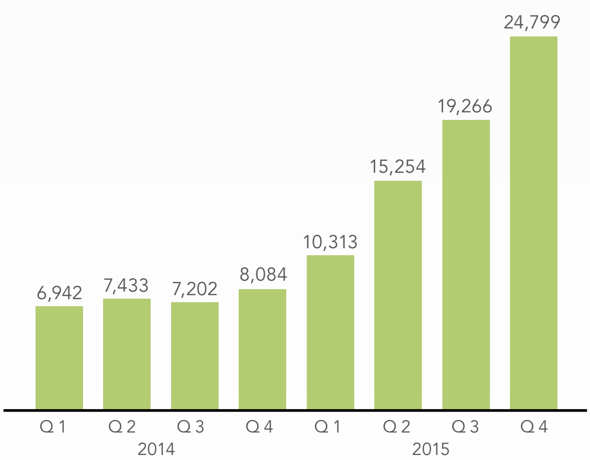
INCREASED QUALITY OF PLAYERS

A user that actively searches for a specific casino offering is more likely to become a depositing customer. The size of our business and leading value proposition often tends to attract potential players who are more willing to play online casino games.

A LOW-RISK PLAYER ACQUISITION MODEL

Online casino operators generally apply a performance-based revenue share model with Catena Media, with no upfront costs until the end user has generated net revenue for the operator. Acquiring NDCs through Catena Media is therefore attributed with lower risks compared to traditional marketing channels where the outcome on a given marketing investment often is uncertain.

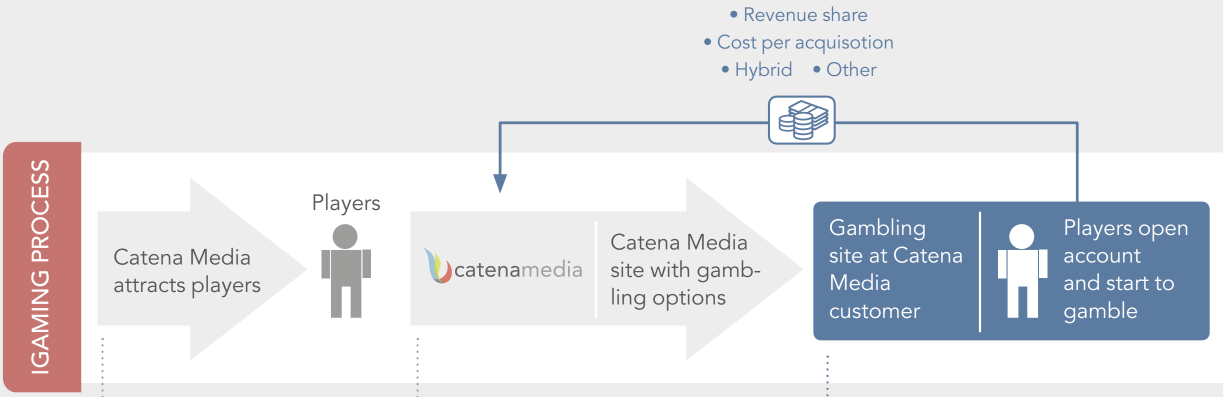
NEW DEPOSITING CUSTOMERS



VALUE TO POTENTIAL PLAYERS

Through Catena Media's websites, potential players have access to high quality content such as casino guides, top lists, reviews, newsletters, display banners and directed bonus offers. The websites are continuously updated with the latest news and changes in the online casino market.

Our strong position and ability to refer a large number of high value leads is reflected in the attractive offers the players receive from the online casino operators, such as higher bonuses or more free-spins, that will typically be exclusive for our websites.



ORGANIC TRAFFIC
✓ Search engine optimisation (SEO)
✓ User content
✓ E-mail

PAID MEDIA
✓ Pay-per-click (PPC)
✓ Digital advertising

Catena Media has around 3,000 sites with updated gambling guides and reviews.

We help players find the right online casino, and we raise quality and increase the volume of player traffic to online casino operators, our customers.

✓ BETSSON
✓ WILLIAM HILL
✓ 888.COM
✓ MR GREEN
✓ CASUMO
✓ UNIBET
✓ LEOVEGAS

OUR REVENUE MODEL

The contracts between Catena Media and its customers are to a large extent based on individual agreements. Revenue primarily consists of variable revenue, such as commission fees paid by online casino operators, and fixed revenue, such as cost per acquisition (CPA) or fees for additional exposure on our websites.

REVENUE SHARE

Once a player has been referred through one of Catena Media's websites and becomes a new depositing customer (NDC) at the iGaming operator, that customer is "tagged" in the operator's system as a player that was referred from Catena Media.

Revenue share is based upon Catena Media receiving a share of the revenues generated for an iGaming operator from a "Catena Media tagged" player. In general Catena Media generates such revenues over the account lifetime of a player, notwithstanding a potential termination of the contract with the relevant iGaming operator. Our commission based fees can, in most cases, not be negative, even if operators have net game losses in certain months.

COST PER ACQUISITION (CPA)

CPA contracts are an upfront payment Catena Media is charging the iGaming operators for every NDC delivered. Catena Media is often in a position to charge the operator a higher fee than what Catena Media estimates the average market price to be, something which is particularly prevalent when larger operators aim to enter into a new market.

OTHER REVENUES

Catena Media also generates revenues by charging a fixed fee for specific events, e.g. when online casino operators pay a fixed fee to be listed and/or reviewed on a Catena Media website, or when advertising space on a Catena Media website is sold to iGaming operators.

Many of the Catena Media's contracts with its customers consist of both a fixed and a variable component of revenue. By having a lifetime account contract for players referred to iGaming operators that become NDCs, Catena Media is building a long-term base of NDCs tagged to Catena Media.

STABLE CORE OPERATIONS ARE OUR STRENGTH

Catena Media has achieved a strong position in the online casino segment of its core markets and is continuing to work hard to exploit its competitive advantages.

STRONG ONLINE ASSET BASE

Catena Media owns and operates more than 3,000 websites in several different languages. The websites are designed to attract potential players and refer them to our customers. As a result of our strong focus on delivering high value content and its distinct focus on SEO, many of our websites rank in top positions in search engine algorithms. Together with a complementing PPC strategy and extensive knowledge, we attract high value traffic of potential players. The contents of the websites are written by professional writers and are continuously updated to provide the players with the most relevant and up-to-date information regarding online casino.

ONLINE CASINO FOCUS

Catena Media's primary focus is to provide high value content within the online casino segment. Although a wide range of opportunities exist, we have chosen to focus on the fast growing online casino market segment where we hold a strong position in our core markets. We have reached this position by building a portfolio of relevant websites, combined with sophisticated key word research and content optimisation techniques, which requires time and patience in order to deliver high value traffic of potential players.

EFFECTIVE SYSTEMS FOR ANALYSING THE INTERNET TRAFFIC

Catena Media utilises a variety of business intelligence tools in order to track the flow of internet traffic to its websites and customers. Analysing the quality and conversion of such traffic is crucial in order to be able to develop and improve the content of our websites and the overall product offering.

STRONG HISTORICAL ACQUISITION TRACK RECORD

Catena Media has successfully acquired several marketing affiliates in the past and has extensive experience in integrating the acquired assets in order to maximise synergies and increase revenue. Acquisitions are believed to be a strong driver for further growth and we are well positioned to acquire further marketing affiliates and to leverage on increased scale advantages and incremental synergies.

ATTRACTIVE AND SCALABLE BUSINESS MODEL

Catena Media has been able to scale up its business operations and grow its revenues significantly without having to increase its cost base at the same pace. The in-house developed technology platform and business intelligence analysis coupled with a flexible and fast moving organization have enabled Catena Media to develop and provide a high quality product and service offering. The addition of PPC through the acquisition of Right Casino provides Catena Media with a tool to attain additional traffic in a flexible and cost efficient way as well as further deepening our knowledge about end user behaviour.

EXTENSIVE AND WIDE CUSTOMER BASE

Catena Media supplies internet traffic to more than 300 iGaming brands including well known and established companies such as Unibet, Betsson, Bet365, Mr.Green, and William Hill. We have a large number of customers in each of our focus markets and are therefore not dependent on one or a few customers. Furthermore, we have been successful in adding new customers continuously and no customer has, as of the date of this annual report, actively terminated any ongoing contract with Catena Media.

STRATEGY BASED ON THREE CORNERSTONES

To achieve its financial goals, Catena Media has a strategy based on three cornerstones. These are competitiveness, acquisitions, and new market entries. In 2015, Catena Media continued to implement its strategy by acquiring Right Casino Media, among other activities.

COMPETITIVENESS

Catena Media is well positioned to expand the business by increased output, extend and leverage on its two marketing methodologies organic traffic and paid media as well as within e-mail marketing, enter into new geographic markets and to increase product development. Catena Media has experienced significant revenue growth over the last years and sees further upside opportunities prior to reaching its full potential.

Further optimisation and conversion of potential players into NDCs is alone expected to lead to increased revenue and growth, as well as developing and improving our efforts within the mobile channel, following the current market trend of a more digitalised end user behaviour. Further developments and investments in business intelligence tools will also be a key focus area going forward.

While Catena Media has a position in the Core Focus Markets, its market share remains relatively small in these markets and therefore we intend to further invest and develop its position. In particular, Catena Media aims at increasing its position in the United Kingdom, one of the world's largest iGaming markets, following the acquisition of Right Casino.

NEW MARKET ENTRIES

Catena Media has a scalable business model which provides the basis to expand our operations into markets in which we believe significant opportunities exist. When implementing our expansion strategy, we will take the overall market potential into consideration as well as the competitive landscape and the regulatory environments in such markets.

ACQUISITIONS

Catena Media has successfully acquired and integrated several targets during the last two years and the Board of Directors firmly believes that we are well positioned for further acquisitions. Catena Media applies a selective and disciplined acquisition strategy, focused on enhancing scale, product diversification and geographical reach, while bolstering the financial performance through synergies. Catena Media continuously evaluates potential acquisition opportunities.

ACQUISITION OF RIGHT CASINO MEDIA

In November 2015, Catena Media acquired the UK-based company Right Casino Media (RCM). RCM was founded in 2010 and is an online performance marketing and online lead generation company within the iGaming industry, primarily focused on the online casino vertical. RCM has grown significantly over the last year, primarily by specialising in paid media methodologies, by identifying relevant keywords and publishing relevant ads connected to these different keywords. Furthermore, RCM is present in the UK, French and Austrian iGaming markets, with a primary focus on the UK market.

The acquisition provided Catena Media with a proven knowledge within PPC marketing, which will further diversify Catena Media's source of traffic and revenue streams. Through the acquisition, we will be able to boost its efforts in establishing and increasing its UK focus, and as a result thereof, increase its focus on and revenues from re-regulated markets.

PASSIONATE, PROFESSIONAL AND CURIOUS

Catena Media has a clear set of values that guide how we act against each other and against our customers. The company's success is largely dependent on these values and Catena Media strives to build a dynamic and supportive working environment to attract and retain top talent.

At Catena Media, the foundation of our culture is built on collaboration. Our teams work together to achieve our vision to become the world's number one provider of online and mobile high-value leads. The Catena Media team was in December 2015 made up of more than 70 employees from around 20 different nationalities and with a great variety of backgrounds and experiences. They are all based in Malta and London, supported by 5 to 10 global consultants and freelancers at any one time.[1]

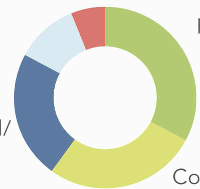
Our Tech, Product and SEO teams have highly qualified experts who revel working in an innovative environment where creativity and fresh approaches are highly prized.

Catena Media strives to be an attractive employer, offering competitive salaries and a number of other benefits including private health insurance and gym membership support. The company recognises the value of creating a strong employer brand to continue to attract and retain top talent. Providing quarterly performance feedback from managers and peers and individual development plans, the company aims to achieve a dynamic and supportive working environment,where all employees feel they can have great career development and contribute towards the company's success.

OUR VALUES

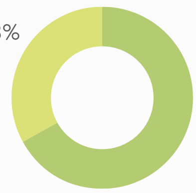
Catena Media's strong culture and set of values encourage everyone to go the extra mile, deliver to high standards and keep improving. These values are an important part of the new hire induction program and are reinforced through the company's recognition plan.

DIVISION OF ROLES



The team includes employees from large corporate financial services backgrounds, high tech giants and start-ups as well as from a range of online gaming operators and affiliates.

GENDER DISTRIBUTION



Catena Media's gender distribution shows that 67 per cent of the employees are male and 33 per cent are female. The company aims to redress the imbalance of these numbers, targeting more female candidates in our searches and identifying marketing opportunities aimed at female candidates.

[1] Following the acquisition of AskGamblers.com in April 2016, Catena Media has offices in three countries and close to 100 employees.

PASSIONATE

We are inclusive – we care about each other's well--being and success. We have fun together! We are in the business to win we strive for the best and we never give up. We excel in our client's success, we always go that extra mile. We celebrate successes and support each other when life is hard.

PROFESSIONAL

We are honest and accountable, we deliver on time and promise. Internally, we speak our mid. Externally, we represent the company and the company standards. We are accessible, we revert promptly and always respond timely to enquiries. We comply to laws and regulations and strive to meet expectations which go beyond that.

CURIOUS

Our curiosity keeps us learning and inventing new ways to improve. We challenge the standards of today and always try to do things a little better. We encourage 'why' and 'what if'. We always investigate how we can bring more value to our clients. Their needs are the driving force of our curiosity and improvement.

THE CATENA SHARE

INITIAL PUBLIC OFFERING

Catena Media's shares commenced trading on the First North Premiere exchange on 11 February 2016. For further information about the listing please refer to the prospectus, which is available under the investor relations section of Catena Media's website, www.catenamedia.com.

SHARE CAPITAL AND NUMBER OF SHARES

As at 31 December 2015, Catena Media's share capital amounted to EUR 66,258, divided between a total of 44,172,152 ordinary shares each with a nominal value of EUR 0.0015. All shares belong to the same class and all holders of shares are entitled to receive dividends and are eligible to one vote per share.

TRADE IN SHARE

The initial price was SEK 33 per share and the number of shares in issue amounted to 7,273,000. In total, shares were issued to a value of SEK 240,009,000, corresponding to EUR 25,282,402 based on the determined exchange rate of SEK 9.493125 to the EUR. After the new share issue the total number of issued shares amounted to 51,445,152.

SHAREHOLDERS

As at 31 March 2016, Catena Media p.l.c had 1,667 shareholders. The Company's ten largest shareholders accounted for 67% of the share capital and votes.

DIVIDEND

During the period the Group paid dividends amounting to EUR 2,995,323. Going forward the Group's long term dividend policy is to distribute annual dividends in excess of 50% of the Group's net profit.

INVESTOR RELATIONS

Catena Media communicates all relevant information that facilitates the understanding of the Group's business model, strategies and financial growth. Catena Media also provides information to its shareholders and other stakeholders in matters that may affect the valuation of the Company's shares.

Catena Media publishes interim reports, annual reports and press releases that are available on www.catenamedia.com. The website also contains information about the shareholder structure and shareholder policy. The shareholder structure is updated quarterly.

CORPORATE GOVERNANCE

The Board of Directors is ultimately responsible for the general governance of Catena Media p.l.c (the Company), its proper administration and management and the general supervision of its affairs. The Company's Memorandum of Association provides that the Board of Directors is to be elected by the shareholders and shall be composed of not less than three and not more than six members.

The Swedish Corporate Governance Code (the "Code") is not applicable to companies listed on Nasdaq First North Premier and the Company is, therefore, not obliged to comply with the Code. However, it is the Company's ambition to conduct a review of its internal corporate governance procedures in order to apply the Code in the future.

NOMINATION COMMITTEE

The Board of Directors intends to propose that the annual general meeting resolves that the Company shall have a nomination committee consisting of four members, the chairman of the Board of Directors and representatives of the Company's three largest shareholders (based upon the known ownership of the Company's shares on the last business day of August each year) are included in the nomination committee. The largest shareholders will only be represented in the nomination committee if they so wish. The nomination committee will appoint a chairman of the committee among itself. The chairman of the Board of Directors may not be the chairman of the nomination committee. The term of office of the nomination committee shall be until such time as a new nomination committee is constituted. It is proposed that the members of the nomination committee, shall not receive any compensation. The nomination committee's work is contemplated to include submission of proposals to the general meetings regarding the appointment of the members of the Board of Directors, including its chairman, and the auditor of the Company, the fees to be paid to the Board of Directors and the auditor and the principles for appointing a new nomination committee.

MALTESE LAW AND ARTICLES OF ASSOCIATION

The Company's activities are governed by Maltese law, primarily by the Maltese Companies Act 1995, Chapter 386 of the laws of Malta (the "Companies Act"), and the Company's Memorandum and Articles of Association.

The following is a summary of the rights of the shareholders of the Group based on current Maltese law and the Company's Memorandum and Articles of Association. This summary is not, and does not purport to be, a complete analysis of Maltese company law.

CORPORATE PURPOSE

Article 3.1 in the Company's Memorandum of Association stipulates, among other things, that the Company shall acquire, invest in and hold shares and securities in companies or joint ventures and conduct any operations within any subsidiary's objects and corporate purposes. The Company shall furthermore own and manage immovable and movable property.

SHARES

Article 11.1 in the Company's Articles of Association provides that the shares of the Company shall be dematerialised and registered with a Central Securities Depository ('CSD') in Malta and/or Sweden and/or elsewhere as allowed by applicable law.

The share register of the Company shall, according to article 11.3, be maintained by the relevant CSD in the form of an electronic CSD register and is in fact maintained by Euroclear Sweden for the Company. Nevertheless, the Company shall remain responsible for the proper keeping of the register and shall keep a copy of all entries relating to registered shareholders and registered holders of debentures held by the Central Securities Depository.

No person shall be entitled to receive a certificate in respect of any share which has been issued by the Company for so long as the title to a share is evidenced in a dematerialised and uncertificated form.

The Company may, from time to time by ordinary resolution of the shareholders or by resolution of the Board of Directors, increase its share capital by issuing new shares. All new shares shall be subject to the provisions of the Companies Act and the provisions in the Company's Articles of Associations with reference to allotment, payment, transfer, transmission, forfeiture and otherwise.

The Company's Articles of Association further stipulates that the Company, by ordinary resolution of the shareholders may cancel any shares which, at the date of the passing of the resolution, have not been subscribed, or agreed to be subscribed by any person and diminish the amount of its authorised capital by the amount of the shares so cancelled. The Company's shares may be subdivided into shares of smaller nominal value than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Companies Act) and a resolution whereby any share that is subdivided may imply that a shareholder may have one or more shares which have any such preferred or deferred rights.

GENERAL MEETINGS

The Company shall each year hold an Annual General Meeting in addition to any other extraordinary general meetings in that year.

Article 16.1-3 in the Company's Articles of Association stipulates that an annual general meeting shall be held once a year, at such time (within a period of not more than 15 months after the holding of the last preceding Annual General Meeting) as the Board of Directors shall deem fit. All other general meetings shall be called extraordinary general meetings. General meetings, whether ordinary or extraordinary shall be held in Stockholm, Sweden or in Malta, as may be determined by the Board of Directors.

General meetings may be convened by the Board of Directors. General meetings may also be convened on the requisition of a shareholder or shareholders holding at the date of deposit of such requisition not less than 10% of the paid-up share capital of the Company. The requisition must state in writing the items to be put on the agenda as well as be signed by the shareholder(s) and deposited at the registered office of the Company. If the Board of Directors does not, within 21 days from the date of the deposit of the requisition convene a meeting, the relevant shareholder(s) may convene a meeting in the same manner within three months from the date of the deposit of the requisition. Subject to any specific provisions of the Articles of Association and any applicable special voting terms, every shareholder present in person, by proxy (or proxies) or by a representative (in the case the shareholder is a legal organisation) shall have one vote and, upon a poll, every member present in person, by proxy (or proxies) or by a representative shall have one vote for every share held by such shareholder. On a poll, a shareholder entitled to more than one vote needs to use all of his/her votes, or cast all of the votes it casts, in the same way.

Article 18 in the Company's Articles of Association stipulates that a notice to a general meeting and any extraordinary general meeting shall be made at least 20 days before the general meeting is held. Both Swedish and English versions of the notice shall be published on the Company's website and an announcement that a notice to attend a general meeting of the shareholders has been issued shall be published in the Swedish newspaper 'Dagens Industri'. The notice shall include the agenda of the general meeting and include information about time, place and date of the general meeting. A shareholder who wishes to be represented by proxy shall issue a written and signed power of attorney.

The Company may specify in the notice when a person must be entered into the share register in order to attend or vote at the general meeting. If no specification has been made, shareholders who wish to attend a general meeting must be entered as shareholders in the share register maintained by the central securities depository 5 days prior to the date of the general meeting in accordance with article 18.3. Every present shareholder has according to article 29.1, one vote for every share which he or she represents at the general meeting.

ELECTION AND REMOVAL OF BOARD MEMBERS

As a public company, the Company shall have at least two board members. In terms of the Companies Act, there is no maximum number of board members that may be appointed. However it is customary for the Memorandum of Association of a company to stipulate a maximum number. The Company's Memorandum of Association provides that the Board of Directors shall consist of 3 to 6 members. The board members are appointed by means of an ordinary resolution passed by the shareholders. A board member shall hold office until such time as he resigns or is removed from the Board of Directors by an ordinary resolution of the shareholders. The shareholders of the Company may, by means of an ordinary resolution, remove any board member from office. Such removal shall be without prejudice to any claim which the board member may have for damages for breach of any private agreement between the Company and the board member. In terms of the Companies Act, upon receipt of a notice of a proposed resolution to remove a board member, a company shall promptly send a copy thereof to the relevant board member and the latter shall have the right to be heard on the resolution at the meeting.

BOARD OF DIRECTORS

HENRIK PERSSON EKDAHL
Chairman of the Board of Directors since 29 May 2015.
Born 1980
Other assignments: Partner of Optimizer Invest Ltd. Chairman of Betit Holding Ltd including group companies. Board member of True Value Ltd, True Value International Ltd, Catena Invest Ltd and Okobay Ltd.
Previous assignments held during the past five years: Board member of Optimizer Invest Ltd. Board member and CEO of Betsson Group Ltd including group companies. Board member and CEO of Safepay Malta Ltd (Betsafe) including group companies.
Education: BA in Business Administration, University of Wisconsin and BA in Business Administration, Hull Business School at Lincoln University. MBA, Gothenburg School of Economics.
Shares: 8,217,485 shares through Optimizer Invest.
Warrants/options: –.

ANDRE LAVOLD
Member of the Board of Directors since 29 May 2015.
Born 1980
Other assignments: Partner of Optimizer Invest Ltd. Founder and board member of Agito Holding AS, Lavon AS, Supero Holdings Limited and Optimus Invest Ltd. Board member of Betit Holding Ltd including group companies, Valeo Invest Ltd, Sequra SA, Igaming Cloud Ltd and Tinitell AB.
Previous assignments held during the past five years: Business development director of Betsson Group Ltd. Founder, board member and chief strategy officer of Betsafe (Safepay Malta Ltd). Board member of Optimizer Invest Ltd and Casumo AB.
Education: Tromsdalen upper secondary school.
Shares: 8,217,485 shares through Optimizer Invest.
Warrants/options: –.

MIKAEL RIESE HARSTAD
Member of the Board of Directors since 29 May 2015.
Born 1981
Other assignments: Partner and Board member of Optimizer Invest Ltd. Board member of Betit Holding Ltd, and founder and board member of Harthom Ltd.
Previous assignments held during the past five years: Board member of Consector AB, Damfotboll Sverige AB, ZooZoocom AB, Fashionisland Sverige AB, Fahionisland International AB, Wrump AB, Intelligent Commerce Group Europe AB, Reve AB, Sista Versen 13696 AB. Deputy Board member of Tellie AB. Legal Counsel of Betsson AB. General Counsel of Safepay Ltd (Betsafe). Founder and owner Harthom AB. Associate at Mannheimer Swartling Advokatbyrå AB.
Education: LLM, Lund University and LLM in Commercial Law, National University of Singapore.
Shares: 8,217,485 shares through Optimizer Invest.
Warrants/options: –.

KATHRYN MOORE BAKER
Member of the Board of Directors since 16 September 2015.
Born 1964
Other assignments: Partner of Pulpit Rock Energy AS. Board member of Norges Bank (the central bank of Norway), Akastor ASA, Agasti ASA, Bertel O. Steen Invest AS, Bertel O. Steen Industri AS, Riddervoldsgate 7 AS and the American Chamber of Commerce in Norway. Chairman of Lakeside AS and Paupac Invest AS. Member of the advisory board of DLA Piper, Norway and the European Advisory Board of the Tuck School of Business, Dartmouth College.
Previous assignments held during the past five years: Partner of Reiten & Co AS. Chairman of Ellipse Klinikken AS, Kuddle AS, TheMOON AS and Norwegian Venture Capital & Private Equity Association. Board member of Data Respons ASA, StormGeo AS and the European Private Equity & Venture Capital Association.
Education: Bachelor of Economics, Wellesley College. MBA, the Amos Tuck School of Business, Dartmouth College.
Shares: –.
Warrants/options: 91,275 warrants through Lakeside AS.

ANDERS BRANDT
Member of the Board of Directors since 16 September 2015.
Born 1960
Other assignments: Chairman of Idekapital AS, Play Magnus AS and Meshtech AS. Board member of Nimbus Direct AS, Cloudberry Mobile AS, Viken Fiber Holding AS, Viken Fiber AS, NRK Aktivum AS, Nova Vista AS, Mytos AS, OMG AS and Guldværket Cirkumferens Gullgruvenes Venner. CEO of Best Consulting V/Anders Brandt. Deputy Board member of Hilvimed AS, Interjob AS and Spiralis AS.
Previous assignments held during the past five years: Previous assignments held during the past five years: Chairman of Easybring AS and Moreto EDB AS. Board member of EVRY ASA, Nimber AS (former EasyBring AS), BC Kapital AS, Brand Invest AS, Brandmaster AS, Face2face AS, Xepto AS, Teo Invest AS. Deputy board member of Globalgateways S.L.
Education: Examen philosophicum and studies in law, University of Oslo. Studies in marketing Westerdals Reklameskole, Oslo.
Shares: –.
Warrants/options: 91,275 warrants through Idekapital AS.

MATS ALDERS
Member of the Board of Directors since 10 December 2015.
Born 1958
Other assignments: Chairman and CEO of Anagram Produktion AB. Chairman of Anagram Film & TV AB, Anagram Pocket AB, Anagram Live AB, Anagram Rights AB and Anagram Väst AB. Board member of Hantera i Stockholm AB. Deputy Board member and CEO of Alders Film & TV AB.
Previous assignments held during the past five years: Chairman of Aspiro AB, Big Brother AB, Starbreeze AB, Starbreeze Production AB, Starbreeze Studios AB, Shine Nordics AB, Starbreeze Publishing AB, Mobivending AB, Mobile Payment Solutions, Stockholm AB, Netadmin System i Sverige AB, Bambora On Mobile AB and Anagram Event AB. Board member and CEO of Dandy Invest AB and Midocean Nearshore AB. Board member of FilmLance International AB and Shine Nordics Friday TV AB.
Education: MBA in Economics, Stockholm University. Advanced certificate in Business Administration, IHM Business School.
Shares: –.
Warrants/options: 91,275 warrants.

Top row from left: Uros Marolt, Klas Winberg, Patrik Bloch, Fiona Ewins Brown, Erik Bergman, Robert Andersson och Oscar Karlsten.

GROUP MANAGEMENT

ROBERT ANDERSSON
Chief Executive Officer (CEO)
Born 1977
Other assignments: Board member and CEO of Gorollsson AB. Deputy Board member of Imagination Studios i Stockholm AB.
Previous assignments held during the past five years: External CEO of The Teroni Group AB, River Cresco AB, Matsuda Agency AB and ISBIT GAMES AB. Partner of Smillea HB. Education: Computer Science, Stockholm University and studied at Griffith University.
Shares: 9,753 shares.
Warrants/options: 450,000 options.

PATRIK BLOCH
Chief Financial Officer (CFO)
Born 1980
Other assignments: Deputy board member of ATB4U Sverige AB.
Previous assignments held during the past five years: Principal at Capgemini Consulting and Sales director at Oriflame Cosmetics Norway. Education: MSc. Business Administration, Linköping University.
Shares: 38,283 shares.
Warrants/options: 327,150 options.

ERIK BERGMAN
Chief Strategy Officer (CSO)
Born 1988
Previous assignments held during the past five years: One of the co-founders of the Group. Co-founder of Flamingo Marketing. Partner of THEM Design HB.
Shares: 5,110,934 through Aveny Ltd.

FIONA EWINS BROWN
Human Resources Director
Born 1973
Previous assignments held during the past five years: HR Director and Talent Management Director at GFI Software Development Ltd. HR Director at Morgan Stanley. Education: Human Resources Management, Seaforth College of TAFE and Charles Sturt University.
Shares: 13,883 shares.
Warrants/options: 43,620 options.

KLAS WINBERG
Chief Commercial Officer (CCO)
Born 1972
Previous assignments held during the past five years: Head of marketing at At the Frontline AB, Area Manager for Betfair Ltd. Education: BA Communication and Political Science, Uppsala University.
Warrants/options: 43,620 options.

UROS MAROLT
Chief Technology Officer (CTO)
Born 1975
Other assignments: Partner of KitezUp HB.
Previous assignments held during the past five years: Head of IT at Highlight Media Group. IT Delivery Manager at Highlight Media Group.
Warrants/options: 60,000 options.

OSCAR KARLSTEN
Chief Product Officer (CPO)
Born 1980
Previous assignments held during the past five years: Product Owner Cross Promotion at Toca Boca AB, CEO and Digital strategist at Avantime Group AB.
Education: Master of Business, Bond University. BSc. Business Administration, Mid Sweden University
Shares: 15,500 shares.
Warrants/options: 43,620 options.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their annual report together with the consolidated and separate financial statements of Catena Media p.l.c (the "Group" and the "Company") for the year ended 31 December 2015.

BOARD OF DIRECTORS

Andre Andersen Lavold (appointed 29 May 2015)
Mikael Sven Tarald Riese Harstad (appointed 29 May 2015)
Per Anders Henrik Persson Ekdahl (appointed 29 May 2015)
Anders Brandt (appointed 16 September 2015)
Kathryn Moore Baker (appointed 16 September 2015)
Mats Goran Alders (appointed 10 December 2015)

PRINCIPAL ACTIVITY

GROUP

The principal activity of the Group is to attract users through online marketing techniques and subsequently seek to channel high value "traffic" (i.e. users) to online and mobile businesses which, in turn, convert such traffic into paying customers.

GROUP COMPANIES

Catena Media p.l.c

The principal activity of Catena Media p.l.c is that of holding investments in subsidiaries.

Catena Operations Limited and Right Casino Media Limited

The principal activity of Catena Operations Limited and Right Casino Media Limited is to engage in online and affiliate marketing.

Molgan Limited

The principal activity of Molgan Limited is the provision of domain management services to a related party.

MARKET DEVELOPMENT

The online casino market in which Catena Media operates has reported positive growth in recent years. Catena Media's view is that the demand for lead generation and gambling affiliates will continue to grow as a consequence.

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

In Catena Media's core markets Sweden, Finland, Norway, the Netherlands, Belgium, Italy and the UK, iGaming is growing faster than land-based gaming. Both new online casino operators and old brands in new markets need visibility and, combined, the two drive growth for the affiliate market through their increased spending on digital marketing, and the pay-per-performance commercial model, such as that offered by Catena Media, comprises one of the fairest and most accountable acquisition models available.

Catena Media's view is that the online casino market will represent an increasing proportion of the total casino market during the coming years, while mobile technology will further enhance the availability of online casino offerings, thus driving the market for iGaming and its affiliates. Although regulations potentially could have both positive and negative effects on the online casino market, Catena Media believes re-regulation will increase overall demand for iGaming. Catena Media continuously monitors developments in other markets, including those close to regulation, and the Group plans to expand into new markets when the timing is right.

REVIEW OF THE GROUP'S BUSINESS DEVELOPMENT AND FINANCIAL POSITION

REVENUES

The Group's revenues totalled EUR 14.94 million (2014: EUR 4.28 million) for the year ended 31 December 2015, corresponding to an increase of 249% compared with the same period in 2014. Out of the EUR 14.94 million, EUR 13.86 million (2014: EUR 4.28 million) represented Organic revenue. The increase in Organic revenue was driven by organic growth resulting from a number of acquisitions made throughout the year.

Paid revenue corresponds to EUR1.08 million (2014: NIL). This revenue is related to the acquisition of Right Casino Media Limited ("RCM") in the UK. The acquisition was finalised on 23 October 2015 and this revenue started to be accounted for from 1 November 2015. RCM is based in London and focuses primarily on the UK market. This company was wholly acquired and became part of the Group from 1 November 2015.

The Group acquired the customer database, domains and websites of eight competitors within the Group´s current core markets during the period. The acquisitions consisted of (i) two smaller acquisitions, of which one focuses on Finland and one on the Netherlands, (ii) two medium sized acquisitions, one of which is targeting Finland and the other the UK, and (iii) four larger acquisitions which focus on Sweden, Norway, the UK and the Netherlands respectively.

EXPENSES

Operating expenses amounted to EUR 5.96 million (2014: EUR 1.67 million). Included within other operating expenses are direct costs driven by Paid revenue. During the year ended 31 December 2015, these costs were predominantly AdWords (Google spend) costs and amounted to EUR 0.73 million (2014: NIL). These costs started being incurred as from November 2015 after the acquisition of RCM.

Personnel expenses amounted to EUR 2.02 million (2014: EUR 0.70 million). The increase in personnel expenses is due to rapid expansion of the Group during 2015. Recruitment has been carried out across the organisation. Depreciation and amortisation totalled EUR 0.14 million (2014: EUR 0.08 million). The increase in depreciation and amortisation was mainly attributable to the acquisition of the eighth competitor player databases. 4% of the cost of these acquisitions is being expensed over a three-year period. Other than RCM, for which 12% of the purchase price is also being depreciated over a three-year period.

Other operating expenses amounted to EUR 2.62 million (2014: EUR 0.89 million). The increase in headcount also gave rise to 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. Other operational expenses include domains for SEO efforts, external consultancy fees and server hosting fees.

Included within operating expenses are non-recurring costs of EUR 1.17 million (2014: NIL). These are non-recurring as they related to the listing of the company.

EARNINGS

Operating profit for the year ended 31 December 2015 amounted to EUR 8.98 million (2014: EUR 2.61 million), an increase of 244% compared with the corresponding period last year. Adjusted operating profit amounted to EUR 10.15 million (2014: EUR 2.61 million), corresponding to an adjusted operating margin of 68% (2014: 61%). Operating profit has been adjusted for IPO related costs of EUR 1.17 million (2014: NIL).

Profit before tax amounted to EUR 9.00 million (2014: EUR 2.60 million), an increase of 246% compared to same period last year.

The corporate tax rate in Malta is 35% of taxable profits. However, Malta operates a refund system, whereby upon payment of dividends to shareholders that are not resident and domiciled in Malta, the recipient will be entitled to a refund of 6/7 of the tax paid by the Group. The post-refund effective rate of tax, including the deferred tax charge, should equate to around 5%. For the period ended 31 December 2015, the Group had an effective tax rate of 8%. This represents the expected rate of 5%, and an additional tax charge arising from the payment of a dividend that occurred prior to the restructuring of the Group in June 2015. In addition, for Q4 2015, the Group consolidated the Right Casino Media business into its financial statements. Right Casino has historically generated most of its revenues from the UK where the corporate tax rate is 20%. Following the integration of the Group in Q4 2015, it is anticipated that most of Right Casino Media's revenue will also be generated from Malta and thus subject to the above mentioned Maltese corporate tax rate and refund mechanism. The Group however foresees a small share of Right Casino Media's revenues being generated from the UK and thus subject to a higher tax rate.

Profit for the period amounted to EUR 8.23 million (2014: EUR 1.77 million). Earnings per share were EUR 0.19880 (2014: EUR 0.04926).

INVESTMENTS

Investments in intangible assets, which consist of player databases, websites and domains, amounted to EUR 13.40 million (2014: EUR 1.11 million) during the period. The significant increase pertained to the acquisition of eight competitors as described above.

Upon acquisition of Right Casino Media Limited the Group accounted for goodwill amounting to EUR 7.33 million (refer to note 22).

Property, plant and equipment additions amounted to EUR 0.37 million (2014: EUR 0.09 million).

CASH AND CASH EQUIVALENTS, FINANCING AND FINANCIAL POSITION

Cash flow from operating activities amounted to EUR 8.38 million (2014: EUR 1.28 million) during the year ended 31 December 2015. Cash flow used in investing activities was EUR 4.26 million (2014: EUR 0.48 million) and was primarily attributable to the acquisitions that took place during the period. Cash flow used in financing activities was EUR 3.14 million (2014: EUR 0.24 million) of which EUR 3.00 million (2014: EUR 0.51 million) related to dividends paid during the period. Cash and cash equivalents amounted to EUR 1.53 million (2014: EUR 0.55 million) at the end of the period.

The financial position of the Group and the Company as at 31 December 2015 is set out in the statement of financial position on page 25.

REVIEW OF THE COMPANY'S BUSINESS DEVELOPMENT AND FINANCIAL POSITION

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. Operating revenues for the year ended 31 December 2015 consisted of dividends received and related income amounting to EUR 2.60 million (2014: NIL). Expenses amounted to EUR 0.04 million (2014: NIL). Profit for the period amounted to EUR 1.86 million (2014: NIL). The Company's cash and cash equivalents amounted to EUR 0.1 million (2014: NIL) at the end of the year and equity amounted to EUR 1.70 million (2014: NIL) (refer to note 18).

EMPLOYEES

The total number of employees in the Group at 31 December 2015 amounted to 70 (2014: 22), of which 33% (23) were women and 67% (47) were men. In 2014, out of the 22 employees 45% (10) were women, while 55% (12) were men. Due to its rapid growth, the Group is continuing to recruit new employees.

SHARE OPTION SCHEME

The Group operates a share option scheme and the details of which are shown in accounting policy 2.13 and note 9.

GROUP COMPANIES

CATENA OPERATIONS LIMITED

During the year under review, Catena Operations Limited achieved a profit before tax amounting to EUR 8.53 million (2014 : EUR 2.62 million). After accounting for taxation, the profit for the year amounted to EUR 5.53 million (2014: EUR 1.70 million). No other comprehensive income was earned during the year. Net equity as at year end amounted to EUR 8.77 million (2014: EUR 1.19 million).

MOLGAN LTD

During the year under review, Molgan Ltd achieved a profit before tax amounting to EUR 0.11 million (2014: loss before tax EUR 0.01 million). After accounting for taxation, the profit for the year amounted to EUR 0.07 million (2014: loss after tax EUR 0.02 million). No other comprehensive income was earned during the current and prior year. Net equity as at year end amounted to EUR 0.06 million (2014 : net deficiency EUR 0.01 million).

RIGHT CASINO MEDIA LIMITED

During the period 1 November 2015 to 31 December 2015, Right Casino Limited achieved a profit before tax amounting to EUR 0.16 million. After accounting for taxation, the profit for the year amounted to EUR 0.14 million. No other comprehensive income was earned during the year. Net equity as at year end amounted to EUR 0.11 million.

SHARES AND OWNERSHIP

The ownership structure of Catena Media p.l.c at 31 December 2015 included the following major shareholders; Optimizer Invest Ltd owning 40.1%, Aveny Ltd owning 20%, Pixel Wizard Ltd owning 20% and LJFK Ltd owning 16.3% of the issued shares.

On 11 February 2016, the Company's shares were listed on Nasdaq First North Premier, Stockholm, under the trading symbol 'CTM'. 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 received SEK 229.80 million corresponding to EUR 24.14 million in equity after issue costs.

The authorised and issued share capital of the Company, together with details of shares allotted during the year are shown in note 17 to these financial statements.

Largest shareholders in Catena Media following the IPO:

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
Total	51,445,152	100

STRENGTHS AND COMPETITIVE ADVANTAGES

The Group owns and operates more than 3,000 websites in five different languages. The websites are designed to attract potential players and refer them to the Group's customers, iGaming operators. As a result of the Group's strong focus on delivering high value content and its distinct focus on Search engine optimisation ('SEO'), many of these websites rank in top positions in search engine algorithms. Together with a complementing Pay per click ('PPC') strategy and extensive knowledge, the Group attracts high value traffic of potential players. The contents of the websites are written by professional writers and are continuously updated to provide the players with the most relevant and up-to-date information.

The Group's primary focus is to provide high value content exclusively within the online casino segment. Although a wide range of opportunities exist, the Group has chosen to focus on the fast growing online casino market where the Group holds a strong market position in its core focus markets. The Group has reached this position by building a portfolio of relevant websites, combined with sophisticated key word research and content optimisation techniques, which requires time and patience in order to deliver high value traffic of potential players. The Group believes that it is one of a few large online lead generation companies that are exclusively focused on the online casino segment in the Group's core focus markets.

The Group utilises a variety of business intelligence tools in order to track the flow of internet traffic to the Group's websites and its customers. Analysing the quality and conversion of such traffic is crucial in order to be able to develop and improve content, websites and the overall product offering. The Group believes that its efforts and investments in technology and business intelligence has increased its competitiveness and has been an important factor for the Group in attaining its strong position in its core focus markets. This improves the Group's return on investment on its efforts in PPC as well as assuring that the Group provides a high quality product offering to end users and service to its customers.

The Group has successfully acquired several marketing affiliates in the past and has extensive experience in integrating the acquired assets in order to maximise synergies and increase revenue. Acquisitions are believed to be a strong driver for further growth and the Group believes that it is well positioned to acquire further marketing affiliates and to leverage on increased scale advantages and incremental synergies.

The Group has been able to scale up its business operations and grow its revenues significantly without having to increase its cost base at the same pace. The in-house developed technology platform and business intelligence analysis coupled with a flexible and fast moving organisation have enabled the Group to develop and provide a high quality product and service offering. The addition of PPC through the acquisition of Right Casino provides the Group with a tool to attain additional traffic in a scalable and cost efficient way as well as further deepening the organisation's knowledge and insight in end user behaviour.

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.

GOING CONCERN

As disclosed in note 2.1 to these financial statements, as at 31 December 2015, the Group's current liabilities exceeded the current assets by EUR 6.58 million. Trade and other payables include current contingent consideration amounting to EUR 4.87 million as at 31 December 2015. The contractual terms of these acquisitions are such that future payments depend on the achievements of target earnings and thus the directors consider that the liquidity risk associated with these transactions is less significant. On 11 February 2016, the Company received EUR 25 million funding from the IPO. Taking cognisence of this and on the basis of the foregoing prospects, the Board of Directors believes that it remains appropriate to prepare the financial statements on a going concern basis.

EVENTS AFTER THE REPORTING PERIOD

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. In total, shares were issued to a value of SEK 240 million, corresponding to EUR 25 million based on an exchange rate of SEK 9.493125 to the EUR.

On 13 March 2016, the Group acquired a number of casino comparison websites that operate in new markets for Catena Media which are regulated and have licensed operators. Through this acquisition, Catena Media is expanding its geographic reach to include gambling portals that are focused on Belgium and Italy. The websites focus on casino comparison and revenue is generated solely from regulated markets with licensed operators. The purchase price for the acquisition is EUR 3 million which is being 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 be higher than 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 it 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 is being paid as cash consideration in conjunction with the transfer of the assets. The assets will be transferred to the Group effective from the closing date being 24 March 2016.

On 3 April 2016, Catena Media acquired the acknowledged and highly regarded affiliate website AskGamblers.com for EUR 15 million. The transaction is the largest in Catena Media's history. AskGamblers.com 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 includes all affiliate accounts, domains, mobile apps and social media accounts.

FUTURE DEVELOPMENTS

The Group's strategy for becoming the world's number one provider of high value online leads within the online casino vertical leans not only on organic growth initiatives and further acquisitions in its core focus markets but also on expansion into new markets with appealing growth prospects through organic greenfield initiatives or acquisitions of already established affiliates.

The Group is well positioned to continue to grow by increasing output, extending and leveraging its two marketing methodologies; Search engine optimisation ('SEO') and Pay per click ('PPC') as well as within e-mail marketing, enter into new geographic markets and to increase product development. The Group foresees that further optimisation and conversion of potential players into New depositing customers ('NDCs') is expected to increase revenue and growth, as well as developing and improving the Group's efforts within the mobile channel, following the current market trend of a more digitalised end user behaviour. Further developments and investments in business intelligence tools will also be a key focus area going forward.

While the Group has a presence in the core focus markets, its market share remains relatively small and therefore the Group intends to further invest and develop its position. In particular, the Group aims at increasing its position in the United Kingdom, one of the world's largest iGaming markets, following the Group's acquisition of Right Casino Media in 2015 and other regulated markets.

DIVIDENDS

During the period the Group declared and paid dividends amounting to EUR 2,995,323. The Group's long term dividend policy is to distribute annual dividends in excess of 50% of the Group's net profit.

RESERVES

The movements in reserves are set out in the statement of changes in equity on page 26 of these financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors are required by the Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the Group and the parent Company as at the end of each reporting period and of the profit or loss for that period.

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

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;

- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act, 1995. They are also responsible for safeguarding the assets of the Group and the parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Catena Media p.l.c for the year ended 31 December 2015 are included in the Annual Report 2015, which is published in hard-copy printed form and may be made available on the Company's website. The directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

AUDITORS

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

Approved by the Board of Directors on 2 May 2016 and signed on its behalf by:

Andre Andersen Lavold	Per Anders Henrik Persson Ekdahl
Director	Director

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

FINANCIAL REPORTS AND NOTES

STATEMENTS OF COMPREHENSIVE INCOME

		Group		Company
EUR	Notes	31.12.15	Period from 04.11.13 to 31.12.14	Period from 29.05.15 to 31.12.15
Continuing operations				
Revenue	5	14,938,857	4,279,876	-
Investment and related income	5	-	-	2,600,000
Personnel expenses	6	(2,024,023)	(700,786)	(29,158)
Depreciation and amortisation	11,12	(142,230)	(76,965)	-
IPO related costs		(1,165,840)	-	-
Other operating expenses	7	(2,623,527)	(890,529)	(15,001)
Total operating expenses		**(5,955,620)**	**(1,668,280)**	**(44,159)**
Operating profit		**8,983,237**	**2,611,596**	**2,555,841**
Finance costs		(10,497)	(17,050)	-
Finance income		6,138	303	-
Other non-operating income		19,849	7,854	-
Profit before tax		**8,998,727**	**2,602,703**	**2,555,841**
Tax expense	10	(684,689)	(925,257)	(700,000)
Profit for the year/ period from continuing operations		**8,314,038**	**1,677,446**	**1,855,841**
Discontinued operations				
(Loss)/profit for the year/ period from discontinued operations	21	(82,250)	95,631	-
Other comprehensive income				
Currency translation differences		(1,208)	(4,519)	-
Profit for the year/ period – total comprehensive income		**8,230,580**	**1,768,558**	**1,855,841**
Earnings per share attributable to the equity holders of the parent during the year/period (expressed in Euro per share)				
Basic earnings per share				
From continuing operations		0.20079	0.04660	
From discontinuing operations		(0.00199)	0.00266	
From profit for the year/period	8	**0.19880**	**0.04926**	
Diluted earnings per share				
From continuing operations		0.19994	0.04660	
From discontinuing operations		(0.00198)	0.00266	
From profit for the year/period	8	**0.19796**	**0.04926**	

The notes on pages 28 to 44 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

		Group		Company
EUR	Notes	31.12.2015	31.12.2014	31.12.2015
ASSETS				
Non-current assets				
Goodwill	11	7,332,727	-	-
Other intangible assets	11	14,341,978	1,045,776	-
Property, plant and equipment	12	416,336	77,263	-
Investment in subsidiaries	13	-	-	54,988
Total non-current assets		22,091,041	1,123,039	54,988
Current assets				
Trade and other receivables	14	4,630,844	1,911,774	1,562,225
Deferred listing costs		291,459	-	-
Cash and cash equivalents	15	1,529,222	553,730	97,496
Total current assets		6,451,525	2,465,504	1,659,721
TOTAL ASSETS		28,542,566	3,588,543	1,714,709
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	17	66,258	1,200	66,258
Share premium	17	999,793	-	999,793
Other reserves		5,072,731	(4,519)	62,420
Retained earnings		6,497,342	1,260,877	576,147
Equity attributable to owners of the parent		12,636,124	1,257,558	1,704,618
Non-contolling interest		-	4,611	-
Total equity		12,636,124	1,262,169	1,704,618
Liabilities				
Non-current liabilities				
Trade and other payables	16	2,639,622	-	-
Deferred tax liabilities	20	240,080	104,615	-
Total non-current liabilities		2,879,702	104,615	-
Current liabilities				
Trade and other payables	16	10,692,484	1,091,198	10,091
Interest-bearing loans		-	319,500	-
Current tax liabilities		2,334,256	811,061	-
Total current liabilities		13,026,740	2,221,759	10,091
Total liabilities		15,906,442	2,326,374	10,091
TOTAL EQUITY AND LIABILITIES		28,542,566	3,588,543	1,714,709

The notes on pages 28 to 44 are an integral part of these financial statements.

The financial statements on pages 24 to 44 were approved and authorised for issue by the Board of Directors on 2 May 2016 and signed on its behalf by:

Andre Andersen Lavold
Director

Per Anders Henrik Persson Ekdahl
Director

STATEMENT OF CHANGES IN EQUITY

GROUP

EUR	Notes	Share capital	Other reserves	Share premium	Retained earnings	Non-controlling interest	Total equity
		Attributable to owners of the parent					
Comprehensive income							
Profit for the period		-	-	-	1,771,477	1,600	1,773,077
Foreign currency translation movement		-	(4,519)	-	-	-	(4,519)
Total comprehensive income for the period		-	(4,519)	-	1,771,477	1,600	1,768,558
Transactions with owners							
Issue of share capital	17	1,200	-	-	-	-	1,200
Net assets acquired attributable to non-controlling interest		-	-	-	-	3,011	3,011
Dividends distributed during the period	19	-	-	-	(510,600)	-	(510,600)
Total transactions with owners		1,200	-	-	(510,600)	3,011	(506,389)
Balance at 31 December 2014		1,200	(4,519)	-	1,260,877	4,611	1,262,169
Balance at 1 January 2015		1,200	(4,519)	-	1,260,877	4,611	1,262,169
Comprehensive income							
Profit for the year		-	-	-	8,231,788	-	8,231,788
Foreign currency translation movement		-	(1,208)	-	-	-	(1,208)
Total comprehensive income for the year		-	(1,208)	-	8,231,788	-	8,230,580
Transactions with owners							
Issue of share capital (before reorganisation)	17, 18	254	4,999,746	-	-	-	5,000,000
Issue of share capital (after reorganisation)	17	66,258	-	999,793	-	-	1,066,051
Dividends distributed during the year	19	-	-	-	(2,995,323)	-	(2,995,323)
Equity-settled share-based payments		-	74,193	-	-	-	74,193
Total transactions with owners		66,512	5,073,939	999,793	(2,995,323)	-	3,144,921
Adjustments relating to reorganisation							
Reorganisation of the Group	18	(1,454)	4,519	-	-	(4,611)	(1,546)
Balance at 31 December 2015		66,258	5,072,731	999,793	6,497,342	-	12,636,124

COMPANY

EUR	Notes	Share capital	Other reserves	Share premium	Retained earnings	Total equity
Comprehensive income						
Profit for the period		-	-	-	1,855,841	1,855,841
Total comprehensive income for the period		-	-	-	1,855,841	1,855,841
Transactions with owners						
Issue of share capital	17	66,258	-	999,793	-	1,066,051
Dividends distributed during the period	19	-	-	-	(1,279,694)	(1,279,694)
Equity-settled share-based payments		-	62,420	-	-	62,420
Total transactions with owners		66,258	62,420	999,793	(1,279,694)	(151,223)
Balance at 31 December 2015		66,258	62,420	999,793	576,147	1,704,618

The notes on pages 28 to 44 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

EUR	Notes	Group 31.12.15	Group Period from 04.11.13 to 31.12.14	Company Period from 29.05.15 to 31.12.15
Cash flows from operating activities				
Profit before tax including discontinued operations		8,916,477	2,698,334	2,555,841
Adjustments for:				
Loss/(gain) on disposal/acquisition		77,731	(59,503)	-
Depreciation and amortisation		142,230	76,965	-
Loss on disposal of property, plant and equipment		391	776	-
Impairment of receivables		32,017	242,489	-
Interest expense		10,497	17,050	-
Interest income		(6,138)	(303)	-
Dividend income		-	-	(2,000,000)
Tax refund receivable		-	-	(600,000)
		9,173,205	**2,975,808**	**(44,159)**
Changes in:				
Trade and other receivables		(2,040,446)	(1,751,879)	(670,561)
Trade and other payables		1,238,511	68,874	8,637
Cash generated from/(used in) operating activities		**8,371,270**	**1,292,803**	**(706,083)**
Interest received		6,138	303	-
Taxation paid		(50)	(16,728)	-
Net cash generated from /(used in) operating activities		**8,377,358**	**1,276,378**	**(706,083)**
Cash flows (used in)/generated from investing activities				
Acquisition of property, plant and equipment		(375,430)	(87,095)	-
Acquisition of intangible assets		(3,863,132)	(463,685)	-
Net cash upon disposal/acquisition		(21,056)	75,424	-
Interest paid		(3,008)	-	-
Dividend received		-	-	2,000,000
Net cash (used in)/generated from investing activities		**(4,262,626)**	**(475,356)**	**2,000,000**
Cash flows from financing activities				
Issuance of share capital		66,045	1,200	66,045
Dividends paid	*19*	(2,995,323)	(510,600)	(1,279,694)
Net movement on loans		(223,012)	266,627	-
Proceeds from share warrants		17,228	-	17,228
Interest paid		(7,489)	-	-
Net cash used in financing activities		**(3,142,551)**	**(242,773)**	**(1,196,421)**
Net movement in cash and cash equivalents		972,181	558,249	97,496
Cash and cash equivalents at beginning of year/period		553,730	-	-
Currency translation differences		3,311	(4,519)	-
Cash and cash equivalents at end of year/period	15	**1,529,222**	**553,730**	**97,496**

The notes on pages 28 to 44 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2015.

NOTE 1 REPORTING ENTITY

Catena Media p.l.c. (the 'Company') is a limited liability company and is incorporated in Malta. The Company's financial statements cover the period from the date of incorporation being the 29 May 2015 to 31 December 2015.

The consolidated financial statements include the financial statements of Catena Media p.l.c and its subsidiaries, (together, the 'Group' or 'Catena Media'). The Group's financial statements cover the period 1 January 2015 to 31 December 2015.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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% 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% 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 during the current period. 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.

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

The financial statements incorporate the results of Catena Operations Limited and its subsidiaries Molgan Limited, Right Casino Media Limited and Paxo Finans AB. The results of Paxo Finans AB are presented in these consolidated financial statements as a discontinued operation in view of its disposal during the current year.

These accounting policies are consistent with the policies previously adopted by Catena Operations Limited, except for:

- Reorganisations between Group entities under common control are accounted for using the reorganisation method of accounting. Under the reorganisation method of accounting, assets and liabilities are incorporated at the predecessor carrying values, which are the carrying amounts of assets and liabilities of the acquired entity as recognised and measured in that entity's pre-reorganisation financial statements. No goodwill arises in reorganisation accounting, and any difference between the consideration given and the aggregate book value of the assets and liabilities of the acquired entity, is included in equity. The financial statements incorporate the acquired entity's full year results, including comparatives, as if the post-reorganisation structure was already in place at the commencement of the comparative period. As a result of this group restructuring 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.
- The Group recognised the excess of the consideration transferred over the fair value of the net identifiable assets acquired as goodwill. If these amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions. Goodwill is not amortised but it is tested annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.
- Results of subsidiaries that have been disposed of, are presented within results of discontinued operations (see note 21).

- During the current year the Group started operating a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Group.
- Prior to the current period, the Group classified acquisitions of competitor assets as intellectual property, with an estimated useful life of three years. During 2015, the Group re-evaluated the nature of the underlying assets acquired, and re-classified its intangible assets into websites, domains and player accounts. As part of this evaluation, management has determined that websites and domains effectively have an indefinite useful life. In the opinion of the directors, the effect of the above change in accounting on the Group's reported financial position as at 1 January 2014 is not material, and accordingly, the effect of the change is accounted for during the current period.

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 year ended 31 December 2015 reporting periods, and have not been applied in preparing these 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.

Going concern
At the statement of financial position date, the Group's current liabilities exceeded current assets by EUR 6.58 million. Trade and other payables include current contingent considerations amounting to EUR 4.87 million as at 31 December 2015. Since the contractual terms of related acquisitions are such that future payments depend on the achievements of target earnings, the directors consider that the liquidity risk associated with these transactions is less significant.

On the basis of the future prospects and the funding anticipated from the IPO, the Board believes that it remains appropriate to prepare the financial statements on a going concern basis.

2.2 Principles of consolidation

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

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2.6).

Intercompany transactions, balances and unrealised gains or transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.2 Transactions with non-controlling interests (NCI)
The Group treats transactions with non-controlling interests, where the acquisition or disposal of partial interests in a subsidiary has no impact on the Group's ability to govern and control the subsidiary's financial and operating policies, as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Group ceases to have control, any retained interest in the equity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group has directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 Foreign currency translation

2.3.1 Functional and presentation currency
Items included in these financial statements are measured using the currency of the primary economic environment in which each of the Group's entities operate ('the functional currency'). The consolidated and separate financial statements are presented in Euro which is Catena Media p.l.c's functional and presentation currency.

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

2.3.3 Group companies
Two of the group companies, Paxo Finans AB and Right

Casino Media Limited have a different functional and presentation currency. Paxo Finans AB uses the Swedish Krona as its functional and presentation currency while Right Casino Media Limited uses the Great British Pound as its functional and presentation currency. The results and financial position of the subsidiary are translated as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

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

2.4 Revenue

The revenue of the Company mainly arises from the dividend earned from its subsidiaries.

The Group's revenue is derived from online and affiliate marketing. The Group recognises revenue when the amount of revenue can be reliably measured, and it is probable that the economic benefits will flow to the entity.

2.4.1 Dividend income

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

2.4.2 Commission income

The Group's revenue consists of revenue generated in the form of commission on players directed to gaming operators as well as advertising fees charged to gaming operators who want additional exposure on the Group's websites. The commission takes the form of;

2.4.2.1 Revenue share

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

2.4.2.2 Cost per acquisition

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

2.4.2.3 Fixed fees

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

2.4.3 Interest income

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

2.5 Income tax

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

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

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

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

2.6 Business combinations

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

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

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

The excess of the:

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

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

The Company and the Group account for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment (see note 2.11). Any gain or bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise subsequent changes in fair value of the contingent consideration are recognised in profit or loss.

2.7 Financial instruments

The Group classifies its financial assets as loans and receivables and their financial liabilities as financial liabilities at amortised cost.

2.7.1 Non-derivative financial assets and financial liabilities – recognition and derecognition

The Group recognises loans and receivables on the date that they are originated. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets.

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

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

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

2.7.2 Non-derivative financial assets - measurement

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Loans and receivables comprise cash and cash equivalents and receivables.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with financial institutions and cash held at payments service providers.

2.7.3 Non-derivative financial liabilities – measurement

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

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

2.9 Plant and equipment
2.9.1 Recognition and measurement
Items of plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

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

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

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

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

The estimated useful lives for the current and comparative periods are as follows:

- computer equipment and software — 4 years
- furniture and fixtures — 10 years

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

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

Where the cost of acquisition includes contingent consideration, cost is determined to be the current fair value of the contingent consideration as determined on the date of acquisition. Any subsequent changes in estimates of the likely outcome of the contingent event are recognised in profit or loss. The cost of acquisition of intangible assets for which the consideration comprises an issue of equity shares is calculated as being the fair value of the equity instruments issued in the transaction.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment. Refer to note 2.10.2 for further details.

Acquired other intangible assets include a number of acquisitions of competitor assets targeting mainly Nordic countries, the Netherlands and the UK markets. Acquired intangibles are analysed between domains and player accounts.

The estimated useful lives are as follows:

- Domains — indefinite
- Player accounts — 3 years

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

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

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

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

2.11 Impairment of assets

2.11.1 Non-derivative financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if results of one or more events occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset which can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not otherwise consider, and indications that a debtor or issuer will enter bankruptcy.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. When an event occurring after the impairment is recognised, causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2.11.2 Non-financial assets

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

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

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

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

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

2.12 Dividends declared

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

2.13 Share based payments

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

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

In the case of share options given that the employees will forfeit the rights under the scheme should they not continue to be employed by the Group, the options are not considered to vest immediately and thus the cost is recognised over the period specified in the agreement.

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

In the case of share warrants, eligible directors are immediately being granted the warrants and are entitled to the rights granted under the agreement. Accordingly, these are considered to vest immediately and therefore the Group recognises the cost in full on the date these warrants are granted.

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

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

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

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

2.14 Earnings per share

2.14.1 Basic earnings per share

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

2.14.2 Diluted earnings per share

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

NOTE 3 FINANCIAL RISK MANAGEMENT

3.1 Risk management framework

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

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

3.2 Financial risk factors

The Group has exposure to the following risks:

- credit risk
- liquidity risk
- market risk

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

3.2.1 Credit risk

Credit risk is the risk of a financial loss to the Company and the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from outstanding receivables due by the Company's or the Group's customers and cash and cash equivalents.

The Group usually extends 30-day credit to its customers. The Group regularly monitors the credit extended to its customers and assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has procedures in place to ensure that sales of services are effected to customers with an appropriate credit history. The Group monitors the performance of these financial assets on a regular basis to identify incurred collection losses which are inherent in the Group's receivables, taking into account historical experience in collection of accounts receivable. Receivables which are not settled within the 30-day credit limit period are followed up regularly until amounts are settled. The Group does not require collateral as security for these receivables. The management does not expect any material losses resulting from failed payments from these counterparties. The risk associated with related parties is not considered to be material as the balances held with related parties are not considered to be significant.

The cash and cash equivalents are held with a leading local financial institution having a credit rating of BBB+, by the international rating agency Fitch. Furthermore, the Group intends to hold funds with other financial institutions with good credit ratings which are possibly based outside Malta in order to reduce dependency on one financial institution as well as simultaneously mitigating country risk. Credit risk from cash held with payment processors is not considered to be significant.

The Group and Company do not hold any collateral as security in this respect.

Management does not consider loans and receivables to carry significant credit risk. The maximum exposure to credit risk at the end of the reporting period is as follows:

	Group		Company
EUR	31.12.15	31.12.14	31.12.15
Loans and receivables			
Trade and other receivables (note 14)	4,630,844	1,911,774	1,562,225
Cash and cash equivalents (note 15)	1,529,222	553,730	97,496
Total loans and receivables	**6,160,066**	**2,465,504**	**1,659,721**
Prepayments and other receivables not subject to risk	(984,185)	(163,407)	(602,749)
Net amounts exposed to credit risk	**5,175,881**	**2,302,097**	**1,056,972**

The Group manages credit limits and exposures actively in a practicable manner such that, there are no material past due amounts receivable from customers as at the reporting date. The Group's receivables, which are not impaired financial assets, are principally in respect of transactions with customers for whom there is no recent history of default. Management does not expect any material losses from non-performance by these customers and these can be analysed as follows:

Group

EUR	2015	2014
31 - 60 days	623,644	133,908
61 - 90 days	310,408	13,928
91-120 days	145,027	4,143
More than 120 days	173,456	21,566
	1,252,535	173,545

3.2.2 Liquidity risk

Liquidity risk is the risk that the Company and the Group will not be able to meet their financial obligations comprising trade and other payables as they fall due, within one year from the end of the reporting period (note 16). As disclosed in note 2.1 to these financial statements, as at 31 December 2015, the Group's current liabilities exceeded the current assets by EUR 6.58 million. Trade and other payables include current contingent considerations amounting to EUR 4.87 million as at 31 December 2015. The contractual terms of these acquisitions are such that future payments depend on the achievements of target earnings and thus the directors consider that the liquidity risk associated with these transactions is less significant.

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

3.2.2.1 Exposure to financial obligations

The exposure to financial obligations at the end of the reporting periods is as follows:

	Group		Company
EUR	31.12.15	31.12.14	31.12.15
Current non-derivative financial liabilities			
Trade and other payables (note 16)	10,692,484	1,091,198	10,091
Non-current non-derivative financial liabilities			
Trade and other payables (note 16)	2,639,622	-	-

3.2.3 Market risk

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

3.2.3.1 Currency risk

The Group operates internationally and is exposed to currency risk on revenue, expenses and bank balances that are denominated in a currency other than the Entity's functional currency, primarily the Swedish Kroner (SEK), Norwegian Kroner (NOK), United States Dollar (USD) and Great British Pound (GBP).

3.2.3.1.1 Exposure to currency risk

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

The currency of the main operating entity is EUR. Foreign currency exposure for the operations in Malta is limited since more than 89% of the Group's revenue stream is attributable to EUR, and so is the main part of its costs. For the UK operation, the revenue stream is predominantly receivable in EUR but its costs are mainly incurred in GBP. As a consequence, this exposes the Group to currency fluctuations between EUR and GBP.

As at 31 December 2015, the Group's liabilities in connection with the acquisition of Right Casino Media Limited included a deferred payment of USD 1.5 million and a contingent consideration of a maximum of USD 6 million. The Group does not hedge its resultant exposure to this, which could impact the Group's financial results in ways unrelated to its operations. A strengthening or weakening of 10% of the USD against the EUR would result in an increase/decrease in profit before tax of EUR 735,042.

The net exposure to currency risk with respect to other foreign currencies is not considered to be material and accordingly a sensitivity analysis for foreign exchange risk disclosing how profit or loss would have been impacted by changes in these foreign exchange rates is not deemed necessary.

3.2.3.1.2 Interest rate risk

The directors consider that the Company and the Group are not exposed to significant interest rate risk.

3.3 Capital risk management

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

On 11 February 2016, 7,273,000 shares were issued on listing. The subscription price for the offering was SEK 33 per share and Catena Media received SEK 229.80 million corresponding to EUR 24.14 million in equity after issue costs.

The capital structure of the Company and the Group consist of equity attributable to equity holders comprising issued share capital, other reserves and retained earnings.

3.4 Fair values estimation

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

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

As at 31 December 2015 and 31 December 2014, the Group and the Company do not hold financial instruments that are measured at fair value.

At 31 December 2015 and 31 December 2014, the carrying amounts of all financial assets and liabilities reflected in the financial statements are reasonable estimates of their fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

NOTE 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

4.1 Determination of contingent consideration on acquisition of intangible assets

The Group enters into contractual obligations to purchase intangible assets from third parties. The contractual terms differ between contracts; some have a pre-determined value, whilst others further include future payments the value of which can only be determined with the passage of time with reference to contracted targets. The Group exercises judgement in measuring and recognising liabilities where the consideration is contingent on target earnings. Amounts payable in relation to contingent consideration amounted to EUR 7,511,632 as at 31 December 2015 (2014: EUR NIL). Out of the total contingent consideration, EUR 4,872,632 falls due within one year.

Due to the inherent uncertainty in the evaluation of related future earnings, actual amounts payable may differ from the liability estimated at the point of the acquisition. In most instances, management has estimated that the full consideration will be payable, except for an element of contingent consideration amounting to EUR 400,000, which has been estimated at a proportion of the maximum amount payable of EUR 450,000. Any changes in estimates will impact the carrying amount of the recognised contingent consideration, and the effect of any changes should be recognised in the profit and loss in the period in which they occur.

4.2 Impairment of other intangible assets and goodwill with an indefinite useful life

IFRS requires management to undertake an annual test for impairment of indefinite lived intangible assets and goodwill.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections that have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters, including management's expectation of growth in EBITDA. The Group prepares and approves management plans for its operations, which are used in the calculations. Having considered the Group's future plans, and the recent timing of the Group's acquisitions, management considers that the Group's intangible assets are not impaired. Further disclosure on key assumptions is included in note 11.

4.3 Valuation of share options

As explained in note 9, the Group operates equity-settled share-based compensation plans under which the Group receives services from employees as consideration for equity instruments of Catena Media p.l.c. In order to determine the fair value of services provided, the Group estimates the fair value of the ordinary shares as of each grant date using the Black-Scholes valuation model. Refer to note 9 for a summary of the inputs used and other assumptions made on calculating the fair value of share options granted as part of the share-based payment scheme.

NOTE 5 REVENUE

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

- Generating organic traffic by Search Engine Optimisation (SEO), including acquisitions
- Paid media by using Pay-Per-Click (PPC) media channels

The SEO business contributed to all of the Group's revenue up until end of October 2015. The paid media revenues were added in November 2015 following the strategic acquisition of Right Casino Media Ltd ('RCM').

All revenue generated from the various acquisitions and through the different marketing methodologies are being treated as one cash generating unit and accordingly as one revenue segment.

The revenue of the Company mainly consists of the dividend earned from its subsidiary Catena Operations Limited. In addition, through the refund mechanism provided by the Income Tax Act of Malta, the Company is eligible to a tax refund of 6/7 of the amount of tax paid by the operating subsidiary. At Group level this is netted off against the tax charge for the year.

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

	Group		Company
EUR	31.12.15	Period from 04.11.13 to 31.12.14	Period from 29.05.15 to 31.12.15
Organic revenue	13,862,266	4,279,876	-
Paid revenue	1,076,591	-	-
Dividend and other related income	-	-	2 600 000
	14,938,857	4,279,876	2,600,000

NOTE 6 PERSONNEL EXPENSES

Personnel expenses incurred during the year are analysed as follows:

	Group		Company
EUR	31.12.15	Period from 04.11.13 to 31.12.14	Period from 29.05.15 to 31.12.15
Directors' remuneration	220,039	202,912	27,447
Salaries and wages	1,224,484	450,350	-
Social security contribution	512,483	47,524	-
Share based payments	67,017	-	1,711
	2,024,023	700,786	29,158

Average number of persons employed by the Group during the period was 37 (2014:19). The Company does not have any employees.

NOTE 7 OTHER OPERATING EXPENSES

7.1

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

	Group		Company
EUR	31.12.15	Period from 04.11.13 to 31.12.14	Period from 29.05.15 to 31.12.15
SEO support costs	328,410	272,922	-
Direct costs related to Paid revenue	734,617	-	-
Professional fees	410,567	385,229	10,795
HR and recruitment costs	280,430	19,397	-
Other expenses	869,503	212,981	4,206
	2,623,527	890,529	15,001

7.2

Fees charged by the auditor for services rendered during the financial period ended 31 December 2015 are shown in the table below. The 2014 figures relate to fees charged by the predecessor auditors.

	Group		Company
EUR	31.12.15	Period from 04.11.13 to 31.12.14	Period from 29.05.15 to 31.12.15
Annual statutory audit	56,350	9,056	5,500
Tax advisory and compliance services	115,819	700	1,400
Other assurance services	20,000	-	-
Other non-audit services	353,553	-	-
	545,722	9,756	6,900

NOTE 8 EARNINGS PER SHARE

Basic earnings per share

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

Group

EUR	31.12.15	Period from 04.11.13 to 31.12.14
Profit from continuing operations	0.20079	0.04660
(Loss)/profit from discontinuing operations	(0.00199)	0.00266
Total	**0.19880**	**0.04926**
Weighted average number of ordinary shares in issue	41,406,453	36,000,000

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume exercise of all dilutive potential ordinary shares. The Group's potential dilutive ordinary shares comprise share options and share warrants. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscriptions rights attached to outstanding share options. The number of shares as calculated above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Group

EUR	31.12.15	Period from 04.11.13 to 31.12.14
Profit from continuing operations	0.19994	0.04660
(Loss)/profit from discontinuing operations	(0.00198)	0.00266
Total	**0.19796**	**0.04926**
Weighted average number of ordinary shares in issue	41,406,453	36,000,000
Adjustments for share options and warrants	176,406	-
Weighted average number of ordinary shares for diluted earnings per share	**41,582,859**	36,000,000

NOTE 9 SHARE-BASED PAYMENT

Share options and warrants are granted to directors and to select employees. The Company granted share warrants to three members of the Board to purchase a total of 273,825 warrants. Furthermore, the Group also entered into share option agreements with eight of its employees, and committed a total of 1,138,010 shares.

The average exercise price of the granted warrants is equal to EUR 3.73. The average exercise price of the granted options is equal to EUR 1.57 for 8 option arrangements. Options are conditional on the employee completing 36 months of service (the vesting period). Both share warrants and option agreements can be exercised after 36 months from the date in which they have been granted, and have a contractual term of 42 months. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

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

Company and Group

	31.12.15		31.12.14	
	Average exercise price in EUR per warrant	Warrants No.	Average exercise price in EUR per warrant	Warrants No.
At 1 January	-	-	-	-
Granted	3.73	273,825	-	-
At 31 December	**3.73**	**273,825**	-	-

Out of the 273,825 outstanding warrants, none of the warrants were exercisable at 31 December 2015.

The weighted average fair value of warrants granted during the period determined using the Black-Scholes valuation model was EUR 0.0325 per share under warrant. The significant inputs into the model were weighted average share price of EUR 1.823 at the grant date, exercise price shown above, volatility of 25%, an expected warrant life of 3 years, and an annual risk-free interest rate of 2%. The volatility assumption and the dividend yield assumption were based on the variables observed for listed companies in similar industries.

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

Company and Group

			Share warrants	
Grant date	Expiry date	Exercise price in EUR per warrant	31.12.15	31.12.14
Jun 2015	Jan 2019	3.56	182,550	-
Sep 2015	Mar 2019	4.08	91,275	-
			273,825	-

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

Group

	31.12.15		31.12.14	
	Average exercise price in EUR per option	Options No.	Average exercise price in EUR per option	Options No.
At 1 January	-	-	-	-
Granted	1.57	1,138,010	-	-
At 31 December	**1.57**	**1,138,010**	-	-

Out of the 1,138,010 outstanding options, none of the options were exercisable at 31 December 2015.

The weighted average fair value of options granted during the period determined using the Black-Scholes valuation model was EUR 0.5320 per share under option. The significant inputs into the model were weighted average share price of EUR 1.834 at the grant date, exercise price shown above, volatility of 25%, an expected option life of 3 years and an annual risk-free interest rate of 2%. The volatility assumption and the dividend yield assumption were based on the variables observed for listed companies in similar industries.

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

Grant date	Expiry date	Exercise price in EUR per option	Share options 31.12.15	Share options 31.12.14
Jul 2015	Jan 2019	1.12	450,000	-
Jul 2015	Jan 2019	1.83	327,150	-
Sep 2015	Mar 2019	1.83	60,000	-
Sep 2015	Mar 2019	2.06	43,620	-
Sep 2015	Mar 2019	1.83	60,000	-
Sep 2015	Mar 2019	1.83	110,000	-
Oct 2015	April 2019	2.06	43,620	-
Oct 2015	April 2019	1.83	43,620	-
			1,138,010	-

From the 1,138,010 shares granted under option agreements, the Group estimates that 30% of these will not be vested, resulting in a total of 796,607 shares committed. The effect of this was also taken into account in the statement of comprehensive income.

NOTE 10 INCOME TAXES

The tax charge for the period is made up as follows:

	Group		Company
EUR	31.12.15	04.11.13 to 31.12.14	29.05.15 to 31.12.15
Current tax expense	549,224	811,061	700,000
Deferred tax expense	135,465	114,196	-
	684,689	**925,257**	**700,000**

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

	Group		Company
EUR	31.12.15	04.11.13 to 31.12.14	29.05.15 to 31.12.15
Profit before tax	8,998,727	2,602,703	2,555,841
Tax calculated at domestic rates applicable to profits in the respective countries	455,064	910,946	894,544
Tax effect of:			
– expenses not deductible for tax purposes	9,660	4,730	15,456
– income not subject to tax	-	-	(210,000)
– deductable capitalised costs	(14,573)	-	-
– adjustment to temporary differences	(97,757)	9,581	-
– impact of dividends prior to reorganisation	332,295	-	-
	684,689	**925,257**	**700,000**

NOTE 11 GOODWILL AND OTHER INTANGIBLE ASSETS

11.1 Goodwill

Group

EUR	
Period ended 31 December 2014	
Balance at 1 January 2014	-
Balance at 31 December 2014	**-**
Year ended 31 December 2015	
Balance at 1 January 2015	-
Acquisitions through business combinations (note 22)	7,332,727
Balance at 31 December 2015	**7,332,727**

11.2 Other intangible assets

11.2.1 Composition and movement

Group

EUR	Domains and websites	Player database	Total
Year ended 31 December 2014			
Balance at 1 January 2014	-	-	-
Additions	1,070,485	43,200	1,113,685
Amortisation charge	(65,331)	(2,578)	(67,909)
Balance at 31 December 2014	**1,005,154**	**40,622**	**1,045,776**
Year ended 31 December 2015			
Balance at 1 January 2015	1,005,154	40,622	1,045,776
Additions	11,950,332	546,707	12,497,039
Acquisitions through business combinations	-	900,493	900,493
Amortisation charge	65,331	(166,661)	(101,330)
Balance at 31 December 2015	**13,020,817**	**1,321,161**	**14,341,978**

Other intangible assets consist of player databases, websites and domains acquired by the Group during the prior and current period.

11.2.2 Amortisation and impairment

As at 31 December 2015, the directors have evaluated domains and goodwill for impairment. The directors are of the view that the carrying amount of domains amounting to EUR 13,020,817 and goodwill amounting to EUR 7,332,727 is recoverable on the basis that the cashflows generated from these assets are in-line, or exceed, the estimated projections made prior to the acquisitions. The directors are satisfied that the judgements made are appropriate to the circumstances.

The fair value of goodwill acquired through the acquisition of Right Casino Media, amounting to EUR 7,332,727, was based on the consideration payable on the transaction less the fair value attributed to the directly identifiable assets as detailed further in note 22.

The recoverable amount of the acquired domains and goodwill was assessed on the basis of value-in-use calculations. A detailed assessment was performed at the end of the reporting period. The Group's conclusion is that the recoverable amount is well in excess of the carrying amount. The recoverable amount was based on the cash flow projections reflecting actual income from operations in 2015, the budget for 2016 as confirmed by the entity's Board, a forecast for year 2017–2018 based on the Group's business plan and a projected average growth of 2% beyond that. The projected cash flows were discounted by 16% after tax. The effective tax rate was estimated at 35%. Group management's method for determining the values inherent to each significant assumption is based on experience and expectations regarding the performance of the market. Consequently, the directors have assessed that there is no need to impair the acquired domains and goodwill.

NOTE 12 PROPERTY, PLANT AND EQUIPMENT

Group

EUR	Computer equipment and software	Fixtures and fixtures	Total
Cost			
At 11 November 2013			
Additions	54,172	32,923	87,095
Disposals	(958)	-	(958)
Balance at 31 December 2014	**53,214**	**32,923**	**86,137**
Additions	216,236	157,786	374,022
Disposal	(2,343)	-	(2,343)
Acquisitions through business combinations (note 22)	8,065	129	8,194
Balance at 31 December 2015	**275,172**	**190,838**	**466,010**
Accumulated depreciation and impairment losses			
At 11 November 2013			
Depreciation	(7,307)	(1,749)	(9,056)
Disposals	182	-	182
Balance at 31 December 2014	**(7,125)**	**(1,749)**	**(8,874)**
Depreciation	(32,240)	(8,660)	(40,900)
Disposals	100	-	100
Balance at 31 December 2015	**(39,265)**	**(10,409)**	**(49,674)**
Carrying amounts			
At 31 December 2014	46,089	31,174	77,263
At 31 December 2015	**235,907**	**180,429**	**416,336**

NOTE 13 INVESTMENT IN SUBSIDIARIES

On 1 January 2015, Catena Operations Limited, the previous parent company, transferred its investment in Paxo Finans AB, a subsidiary in which it previously held a 95% interest, to Catena Invest Ltd, a related company which is not included in the Group.

On 1 June 2015, the Company acquired a 100% shareholding in Catena Operations Limited from its previous five shareholders.

Company

EUR	Consideration for subscribed capital	Capital contibution	Total
Year ended 31 December 2015			
Opening net book amount	-	-	-
Additions	1,454	53,534	54,988
Closing net book amount	**1,454**	**53,534**	**54,988**

NOTE 14 TRADE AND OTHER RECEIVABLES

	Group		Company
EUR	31.12.15	04.11.13 to 31.12.14	29.05.15 to 31.12.15
Trade receivables	3,603,270	1,131,522	-
Amounts owed by subsidiary	-	-	959,476
Amounts owed by other related parties	25,964	607,803	-
Amounts owed by parent company	-	8,554	-
Prepayments and accrued income	48,815	163,407	2,749
Other receivables	952,795	488	600,000
	4,630,844	1,911,774	1,562,225

The amounts owed by parent, subsidiary and other related parties are unsecured, interest free and repayable on demand.

NOTE 15 CASH AND CASH EQUIVALENTS

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

	Group		Company
EUR	31.12.15	04.11.13 to 31.12.14	29.05.15 to 31.12.15
Cash in hand	250	239	-
Cash at bank	1,517,003	543,475	97,496
Cash held by payment processors	11,969	10,016	-
	1,529,222	553,730	97,496

NOTE 16 TRADE AND OTHER PAYABLES

	Group		Company
EUR	31.12.15	04.11.13 to 31.12.14	29.05.15 to 31.12.15
Current			
Trade payables	1,241,878	197,163	5,841
Amounts committed on acquisitions	8,182,425	500,000	-
Amounts owed to other related parties	26,119	281,746	1,455
VAT payable	69,557	52,796	-
Accruals	1,172,505	59,493	2,795
Total current payables	**10,692,484**	**1,091,198**	**10,091**
Non-current			
Amounts committed on acquisition	2,639,622	-	-
Total non-current payables	**2,639,622**	**-**	**-**
Total payables	**13,332,106**	**1,091,198**	**10,091**

16.1

The amounts owed to related parties are unsecured, interest free and repayable upon demand. In 2014 the amount included a loan of EUR 224,998 (including interest of EUR 16,998) which was subject to interest of 10% per annum. This was settled during the year ended 31 December 2015.

16.2

Amounts committed on acquisition consist of contractual obligations upon purchase of intangible assets from third parties. Some of the obligations have a pre-determined value, whilst others include future payments whose value depends on target earnings.

NOTE 17 SHARE CAPITAL

The share capital for the period between 1 January 2014 and 31 December 2014, represents the share capital of Catena Operations Limited. During the period commencing on 1 January 2015 to 28 May 2015, prior to the Group reorganisation disclosed in note 18, Catena Operations Limited issued a further 254 ordinary shares with a nominal value of EUR 1 each at a premium of EUR 4,999,746.

On 29 May 2015, the Company was incorporated having 43,620,000 ordinary shares with a nominal value of EUR 0.0015 each, and on 1 June 2015, the Company acquired a 100% shareholding in Catena Operations Limited from its previous five shareholders. Subsequently, the Company issued 552,152 ordinary shares with a nominal value of EUR 0.0015 each at a premium of EUR 999,793 to a third party, in part consideration for the acquisition of intangible assets.

Details of share capital for Catena Operations Limited as at 31 December 2014:

EUR	04.11.13 to 31.12.14
Authorised, issued and fully paid	
1,199 ordinary A shares of €1 each	1,199
1 ordinary B share of €1 each	1
	1,200

Details of share capital for Catena Media p.l.c as at 31 December 2015:

EUR	01.01.15 to 31.12.15
Authorised, issued and fully paid	
44,172,152 ordinary shares of €0.0015 each	66,258

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

NOTE 18 GROUP REORGANISATION

On 1 June 2015, the Company acquired 100% of the share capital of Catena Operations Limited for cash consideration of EUR 1,454. Catena Operations Limited's shareholders prior to this transaction became shareholders of the Company, and this reorganisation has been recognised in accordance with the accounting policy applicable to such transactions (refer to note 2.1).

The following table summarises the consideration paid by the Company and the amounts of assets acquired, and liabilities assumed, that were recognised in the consolidated statement of financial position as at 1 June 2015, being the date of the legal reorganisation:

EUR	
Consideration	
Cash consideration	1,454
Total consideration transferred	**1,454**
Recognised amounts of identifiable assets acquired and liabilities assumed	
Intangible assets	6,643,563
Property, plant and equipment	132,840
Investment in subsidiary	1,199
Trade and other receivables	1,532,835
Cash and cash equivalents	397,952
Trade and other payables	(2,290,066)
Total net assets acquired	**6,418,323**
Equity adjustment:	
Retained earnings	(1,417,123)
Share premium reclassified to other reserves on re-organisation	(4,999,746)
	1,454

NOTE 19 DIVIDENDS

The dividends paid in 2015 and 2014 are disclosed below.

Dividends distributed prior to group reorganisation

Period covered (2015)	Date paid (2015)	Net dividend paid, EUR	Dividend per share, EUR	Shares entitled to dividends during the period (no. of shares)
28-Feb-15	23-Apr-15	150,000	125.10	1,199
31-Mar-15	05-May-15 27-May-15 22-Jun-15	1,000,000	687.76	1,454
30-Apr-15	19-May-15	365,629	251.46	1,454
30-May-15	22-Jun-15	200,000	137.55	1,454
Total		1,715,629		

Period covered (2014)	Date paid (2014)	Net dividend paid, EUR	Dividend per share, EUR	Shares entitled to dividends during the period (no. of shares)
30-Jun-14	6-Aug-14 25-Aug-14	300,600	250.71	1,199
31-Aug-14	25-Sep-14	210,000	175.15	1,199
Total		510,600		

Dividends distributed after the group reorganisation

The dividends distributed below cover the period from 1 June 2015 to 31 December 2015, after the reorganisation disclosed in note 18:

Period covered (2015)	Date paid (2015)	Net dividend paid, EUR	Dividend per share, EUR	Shares entitled to dividends during the period (no. of shares)
30-Jun-15	31-Jul-15	730,000	0.0167	43,620,000
31-Jul-15	01-Aug-15	500,000	0.0113	44,172,152
30-Sep-15	10-Dec-15	49,694	0.001125	44,172,152
Total		1,279,694		

NOTE 20 DEFERRED TAX LIABILITIES

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

The movement in deferred tax balances is analysed as follows:

Group

EUR	Balance at 1 January 2015	Recognised in profit and loss	Balance at 31 December 2015
Property, plant and equipment	2,703	7,342	10,045
Intangible assets	106,162	915,702	1,021,864
Unremitted earnings of subsidiary	-	(791,829)	(791,829)
Other	(4,250)	4,250	-
	104,615	135,465	240,080

Group

EUR	Balance at 4 November 2013	Recognised in profit and loss	Balance at 31 December 2014
Property, plant and equipment	-	2,703	2,703
Intangible assets	-	106,162	106,162
Other	-	(4,250)	(4,250)
	-	104,615	104,615

NOTE 21 DISCONTINUED OPERATIONS

On 1 January 2015, Catena Operations Limited transferred its investment in Paxo Finans AB, a subsidiary in which it previously held a 95% interest, to the shareholders of the company. The subsidiary's results have been presented in the statement of comprehensive income as those from discontinued operations. An analysis of the result of the discontinued operation is as follows:

Group

EUR	31.12.15	04.11.13 to 31.12.14
Revenue	-	566,034
Operating expenses	-	(522,252)
Operating profit	-	**43,782**
(Loss)/gain on acquisition/disposal	(82,250)	51,849
(Loss)/gain before tax on discontinued operations	(82,250)	95,631
Tax	-	-
(Loss)/gain **after tax of discontinued operations**	(82,250)	**95,631**

Group

EUR	31.12.15	04.11.13 to 31.12.14
Cash flows		
Operating cash flows	-	17,565
Financing cash flows	-	42,627
Total cash flows	-	**60,192**

NOTE 22 BUSINESS COMBINATIONS

On 23 October 2015, the Group acquired 100% of the share capital of Right Casino Media Limited ('RCM') in the UK. RCM specialises in PPC (Pay Per Click), is based in London, focuses primarily on the UK market, and will operate under the name Catena Media UK.

The Group acquired RCM for a cash consideration of USD 3 million (EUR 2.73 million) and a contingent consideration of USD 6 million (EUR 5.35 million). USD 1.5 million (EUR 1.37 million) was paid upon the contract date and USD 1.5 million (EUR 1.36 million) was paid on 1 March 2016.

The contingent consideration is payable on the basis of a predetermined earn-out structure considering NDCs and revenue targets. In accounting for this acquisition management estimated that the maximum earn-outs were of USD 3.0 million (EUR 2.71 million) for months 1-12 and USD 3.0 million (EUR 2.64 million) for months 13-24, was estimated.

The Group incurred acquisition-related costs of EUR 0.17 million on legal fees and due diligence costs. These have been capitalised and included as part of the purchase consideration.

At the time of the acquisition the largest shareholders Optimizer, Aveny and Pixel, the guarantors, agreed to unconditionally settle the second instalment of the purchase price of RCM, if Catena Media defaulted.

Details of net assets acquired and goodwill are as follows:

EUR	On acquisition
Purchase consideration:	
- Cash	2,726,421
- Contingent consideration	5,353,849
- Additional capitalised costs	173,254
Total purchase consideration	**8,253,524**
Fair value of net assets acquired (see below)	(920,797)
Goodwill	**7,332,727**

The determined fair value of assets and liabilities arising from the acquisition, are listed in the table below.

EUR	Fair value
Websites and player accounts	950,493
Cash and cash equivalents	107,787
Property, plant and equipment	4,930
Trade and other receivables	358,358
Trade and other payables	(462,117)
Tax payable	(38,654)
Net liabilities acquired	**920,797**

The determined fair value of the acquired trade and other receivables amounted to Eur 0.36 million. The gross contractual amounts are equal to their fair value. All the receivables amount was expected to be collected as at the date of the acquisition.

The revenue included in the consolidated statement of comprehensive income as from 1 November 2015, contributed by Right Casino Media Limited, amounted to EUR 0.93 million and the profit for the period amounted to Eur 0.14 million.

Based on the information provided by the predecessor owners, had Right Casino Media Limited been consolidated from 1 January 2015, the consolidated revenue would have approximately included an additional Eur 1.50 million in revenue and an additional EUR 0.17 million in profit.

NOTE 23 RELATED PARTY TRANSACTIONS

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

The following transactions were carried out with related parties:

	Group		Company
EUR	31.12.15	04.11.13 to 31.12.14	29.05.15 to 31.12.15
(a) Sales of services			
- Entities under common control	1,360,135	422,844	-
(b) Key management personnel			
- Directors' fees	29,158	-	29,158
- Directors' salaries	192,592	202,912	-
- Loan advanced by	-	224,000	-
- Loan repayment to	223,012	-	-
- Share based payments (note 9)	74,193	-	62,240
(c) Other related party transactions			
- Dividends distributed, net	2,995,323	510,600	1,279,694
- Recharges from:			
- Entities under common control	60,603	323,808	-
- Loan repayment from:			
- Entities under common control	259,218	-	-

NOTE 24 EVENTS AFTER THE REPORTING PERIOD

On 11 February 2016, the Company's shares were admitted to trading on the First North Premiere exchange. The initial price was SEK 33 per share and the number of shares in issue amounted to 7,273,000. In total, shares were issued to a value of SEK 240 million, corresponding to EUR 25 million based on an exchange rate of SEK 9.5188 to the EUR.

The total listing and issue costs up to 11 February 2016 amounted to EUR 1.50 million, of which EUR 1.17 million was expensed in 2015. An additional EUR 0.37 million was capitalised and will be deducted in the first quarter from the newly issued amount recognised in equity.

On 13 March 2016, the Group acquired a number of casino comparison websites that operate in new markets for Catena Media, and that, are regulated and have licensed operators. Through this acquisition, Catena Media is expanding its geographic reach to include gambling portals that are focused on Belgium and Italy. The websites focus on casino comparison and revenue is generated solely from regulated markets with licensed operators. The purchase price for the acquisition is EUR 3 million which is being 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 be higher than 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 it continued to strengthen its position as Europe's fastest growing company 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 is being paid as a cash consideration in conjunction with the transfer of the assets. The assets and operation will be taken over immediately by Catena Media when the transaction has been completed.

On 3 April 2016, Catena Media acquired the acknowledged and highly regarded affiliate website AskGamblers.com for EUR 15 million. The transaction is the largest in Catena Media's history. AskGamblers.com 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 includes all affiliate accounts, domains, mobile apps and social media accounts.

NOTE 25 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.

DECLARATION OF THE BOARD OF DIRECTORS AND CEO

The Board of Directors and CEO hereby declare that the Annual Report and consolidated financial statements have been prepared in accordance with the international accounting standards (IFRS) as adopted by the EU and the requirements of the Maltese Companies Act, 1995. The Annual Report and consolidated financial statements provide a true and fair view of the financial position and earnings of the Parent Company and the Group. The Directors' Report for the Group and Parent Company provides a true and fair summary of developments in the Parent Company and Group's business, earnings and financial position. It also describes the significant risks or uncertainties faced by the Parent Company or any of the companies belonging to the Group.

Stockholm 2 May 2016

HENRIK PERSSON EKDAHL
Chairman of the Board of Directors

ANDRE LAVOLD
Member of the Board of Directors

MIKAEL RIESE HARSTAD
Member of the Board of Directors

KATHRYN MOORE BAKER
Member of the Board of Directors

ANDERS BRANDT
Member of the Board of Directors

MATS ALDERS
Member of the Board of Directors

ROBERT ANDERSSON
Chief Executive Officer (CEO)

Our Audit Report was submitted on 2 May 2016
PricewaterhouseCoopers

ROMINA SOLER
Partner

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Catena Media p.l.c

REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

We have audited the consolidated financial statements and stand-alone parent company financial statements of Catena Media p.l.c (together the 'Financial Statements') on pages 24 to 44 which comprise the consolidated and parent company statements of financial position as at 31 December 2015 and the consolidated and parent company statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

As explained more comprehensively in the Statement of directors' responsibilities for the financial statements on pages 22 to 23, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Maltese Companies Act, 1995, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements

- give a true and fair view of the financial position of the group and the parent company as at 31 December 2015, and of their financial performance and their cash flows for the year then ended in accordance with IFRSs as adopted by the EU; and
- have been properly prepared in accordance with the requirements of the Maltese Companies Act, 1995.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

We also have responsibilities under the Maltese Companies Act, 1995 to report to you if, in our opinion:

- The information given in the directors' report is not consistent with the financial statements.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

PricewaterhouseCoopers
78 Mill Street
Qormi
Malta

Romina Soler
Partner

2 May 2016

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 p.l.c, 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.

RCM
Right Casino Media Ltd, a company incorporated in the UK under the laws of England and Wales with registration number 07381409.

catenamedia

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