

Press Release**FULL YEAR (FY) 2016 CONSOLIDATED FINANCIAL RESULTS**

Record turnover. Ease of net profit impacts profitability

CENTRIC Holdings S.A. announces the consolidated financial results for the full year that ended on December 31st, 2016 based on the International Financial Reporting Standards (IFRS).

- ✓ **Turnover: € 1,124,2m vs € 858.9m in 2015 (+30.88%)**
- ✓ **Gross Profit: € 8.8m vs € 10.5m in 2015 (-16.30%)**
- ✓ **EBITDA: € -2.4m vs € -0.8m in 2015**
- ✓ **EBT: € -2.8m vs € -2.8m in 2015 (-3.04%)**
- ✓ **EATAM: € -3.8m vs € -4.1m in 2015 (+7.87%)**
- ✓ **Own Equity as at 31.12.2016: € 37.9m (-8,95% vs 31.12.2015)**

Turnover:

Group turnover in 2016 stood at a record level of **€ 1,1m** vs € 858.9m in the FY 2015 marking an **increase of 30,9%**. Successful performance of the brands that promote the subsidiaries of the group, as well as the absence of major sport events in 2015, and the negative impact of the capital controls imposed and affected the turnover of 2015, justify the increase of the turnover. .

Profitability:

Group Gross Profit in 2016 decreased by 16.3% and stood at **€ 8.8m**. The decrease of the gross profit, and in spite of the increase of the turnover, indicate a sharp reduction of the gross profit margin, which went down to 0.78% in 2016 vs 1.22% in 2015. The ease of the gross profit margin is attributable to the very competitive structure of the market which drives down the margin increasing the payout to customers. Additional weight on the gross profit was the increased cost related to payment services.

Operational expenses **in total stood at € 12.1m** on the same levels of 2015. An increase of sales and promotion expenses by 12.1% was offset by a decrease of administrative expenses by 23.8%. Increased advertising and sponsoring spending keep on being the cornerstone of the group's deliberately efforts to enhance brand recognition and enhance customer base. On the other hand, the reduction of the admin spending reflects the efforts of the management to optimize the use of the operational expenses. The reduction of the gross profit hit directly to the operational profitability, leading the **EBITDA** for the period to **stand negative at € 2.4m** in contrast to a loss of € **0.8m** in 2015.

The results of the financial and investing activity were immaterial and did not have an influence on the profitability of the group. Given, and in accordance to the operational result, Earning Before Taxes (**EBT**) stood at a **loss of € 2.8m** and the Earnings After Taxes and Minorities (**EATAM**) at a **loss of € 3.8m vs a loss of € 4.1m** in 2015(+7.9%)

Capital Structure:

Shareholder's equity as at December 31, 2016 amounted to **€ 37.9m**. Despite the decline of the equity levels at 31.12.2016, the Company and the Group are still presented with a solid capital structure comprised by enhanced level of equity and limited liabilities, of which the debt refers to the amount of the leasing payments related to the acquisition of the premises of the company. The increased level of Equity in connection to minimal level of liabilities and reduced working capital needs provide adequate protection to the group with respect to the risk associated to the current adverse economic environment. The **Debt to Equity ratio** (total liabilities/shareholder's equity) is formed at 31.12.2016 at **0.23**.

Licensing process

Sporting Odds Ltd, a member of the Gaming VC Group, licensed in UK by the UK Gambling Commission and among the strategic partners of Centric group has voluntarily submitted in the tax regime of the transition period provisioned by the article 50 of the Law 4002/2011 and it is legally operating in Greece. In Cyprus is operating according to the law 106/2012

FY 2016 FIGURES:

FY 2016 Consolidated financial results			
<i>Amounts in 000 €</i>	FY 2016	FY 2015	Δ% 2016 vs. 2015
Sales	1,124,244	858,958	+30.88%
Gross Profit	8,774	10,482	-16.30%
(%)	0.78%	1.22%	
EBITDA	-2,435	-822	-196.40%
(%)	-0.22%	-0.10%	
EBIT	-2,845	-1,218	-133.62
(%)	-0.25%	-0.14%	
EBT	-2,843	-2,759	-3.04%
(%)	-0,25%	-0,32%	
EATAM	-3,765	-4,086	+7.87%%
(%)	-0.33%	-0.48%	