*“Building leading marketplaces for Online Presence and Online Marketing.”*

# Q1 2022 Results

23 May 2022

CentralNic

Building a better global digital economy

# Why CentralNic is presenting at Equity Forum

## German Board Members

### Michael Riedl, Group Financial Director

Michael Riedl joined CentralNic as CFO in 2019. Prior to that, he was Executive Vice President and CFO of KeyDrive S.A. He has previous experience from managing positions in the private equity and ICT industries.

### Thomas Rickert, Non-Executive Director

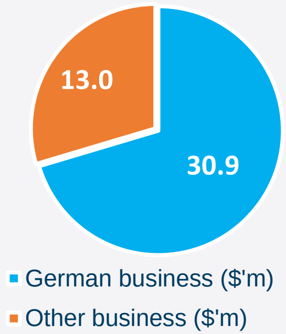
Thomas Rickert is an attorney-at-law in Bonn. He previously served on the Council of the Generic Names Supporting Organisation and has extensive experience in the domain industry working on disputes.

### Horst Siffrin, Non-Executive Director

Horst Siffrin is a partner of inter.services holding/investments in Berlin. He was Chairman of the Supervisory Board of KeyDrive SA, Luxembourg and member of the Advisory Board of the Key-Systems Group up till August 2018.

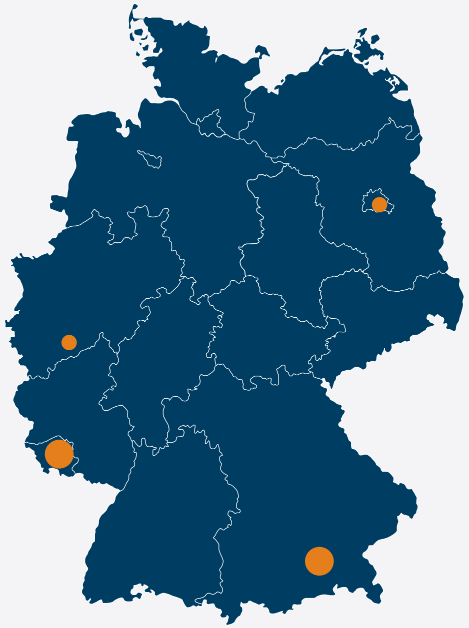
## Q1'22 PF Net Revenues[1]

Net Revenues from German businesses contributed 70% to total Group net revenue in Q1 2022 on PF basis




## Locations

c.300 staff in Germany; with offices in Berlin, Bonn, Munich and Saarbrucken



Notes: [1] Net Revenues shown on Pro-forma basis adjusted for VGL to include full 3 months of VGL contributions in Q1 2022.



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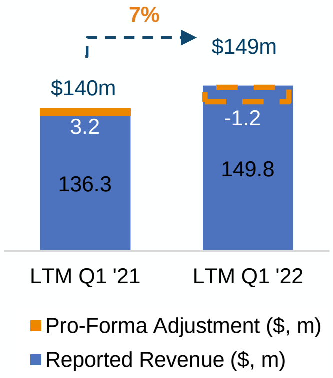
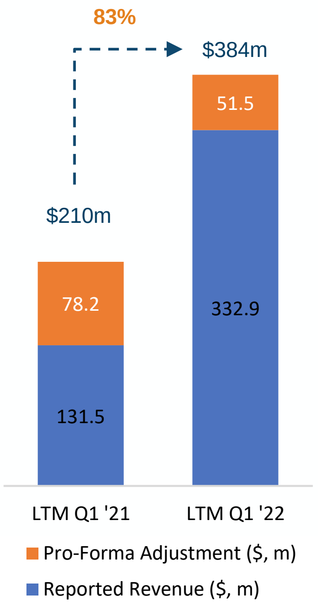
# Record 53% organic growth

Providing the tools businesses need to succeed online




**Online Presence**

Notes: (1) Pro-forma adjustment for acquired revenue, constant currency FX impact and non-recurring revenues




**Online Marketing**

## Online Presence Segment

**Business:** Selling the basic tools for a company to get online

**Products:** Web addresses, websites, hosting, email, etc.

**Recurring Revenue model:** Annual subscriptions

## Online Marketing Segment

**Business:** Selling the tools for websites to acquire customers and generate revenues. None of CentralNic's platforms make use of 3rd party cookies or customer's personal data

**Products:** Tools for monetizing web traffic and media buying tools for acquiring customers

**Recurring Revenue model:** Rolling open-ended revenue share contracts

Notes: (1) Pro-forma adjustment for acquired revenue, constant currency FX impact and non-recurring revenues; Prior year (FY20) Revenue and EBITDA have been re-stated



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# CentralNic Q1 2022 Highlights

Strategy of investing to drive organic growth is delivering results

**Organic growth translates into economies of scale[1]**

**Successful £45m equity raise and €21m bond placing**

**Listed among top 50 fastest-growing tech companies in Europe**

**Acquisition of VGL, Fireball and .ruhr TLD**

## Additional Operational highlights

Company's organic growth further accelerated during the period, driven by investments in new management, staff and systems. EBITDA as a percentage of Net Revenue has increased from 36% in Q1 2021 to 46% in Q1 2022, demonstrating that CentralNic's growth translates into operating leverage

The Financial Times listed CentralNic among the top 250 fastest-growing companies and among the top 50 fastest-growing technology companies in Europe

Acquisition of VGL Verlagsgesellschaft mbH (VGL) in March 2022 for an enterprise value of EUR 60 million (approx. USD 65 million)

Oversubscribed GBP 42 million equity raise on 28 February 2022 and fully taken up Open Offer of GBP 3 million on 21 March 2022

EUR 21 million bond placing on 7 March 2022

Notes: [1] Result: $184m YoY organic revenue growth LTM Q1'22 vs LTM Q1'21

# Q1 2022 Financial Highlights

## Achieving record growth

| Gross Revenue | Net Revenue | Adjusted[1] EBITDA |
|---|---|---|
| $156.6m | $39.9m | $18.5m |
| +86% | +43% | +83% |
| Q1 2021: $84.4m | Q1 2021: $27.9m | Q1 2021: $10.1m |

| Adjusted EPS | Operating Profit | Adjusted[2] Cashflow |
|---|---|---|
| ¢ 4.51 | $10.0m | $23.7m |
| +42% | n.m. | +44% |
| Q1 2021: ¢ 3.17 | Q1 2021: $1.4m | Q1 2021: $16.5m |

Notes: [1] Subsidiary and Associate Earnings before interest, tax, depreciation, amortisation, non-cash charges and non-core operating expenses [2] Cashflow from operations adjusted for exceptional costs incurred and paid during the year and settlement of one-off working capital items from the prior year



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# Income Statement

| ($, m) | FY 2021 | Q1 2022 | Q1 2021 | % Change |
|---|---|---|---|---|
| **Revenue** | 410.5 | 156.6 | 84.4 | **86%** |
| **Cost of Sales** | -292.0 | -116.7 | -56.5 | |
| **Net Revenue (Gross Profit)** | 118.5 | 39.9 | 27.9 | **43%** |
| **Gross Margin %** | 29% | 25% | 33% | |
| **Administrative Expenses** | -101.1 | -28.2 | -25.0 | **13%** |
| **Share Based Payment Expenses** | -5.0 | -1.7 | -1.5 | |
| **Operating Profit / (Loss)** | 12.4 | 10.0 | 1.4 | |
| **Adjusted EBITDA** | **46.3** | **18.5** | **10.1** | **83%** |
| Depreciation | -3.5 | -0.6 | -0.7 | |
| Amortisation of intangible assets | -18.3 | -6.1 | -4.0 | |
| Non-core operating expenses** | -8.7 | -1.1 | -2.9 | |
| Foreign Exchange Gain | 1.6 | 1.0 | 0.4 | |
| Share Based Payment Expenses | -5.0 | -1.7 | -1.5 | |
| **Operating Profit or (Loss)** | **12.4** | **10.0** | **1.4** | |

Notes: [1] Subsidiary and Associate Earnings before interest, tax, depreciation, amortization, non-cash charges and non-core operating expenses



**Revenue up by 86% and Gross Profit up by 43%**

**Gross Margin lower YoY due to product mix shifting to Online Marketing and within Online Marketing towards Media Buying**

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# Balance Sheet

| ($, m) | FY 2021 | Q1 2022 | Q1 2021[1] | % Change |
|---|---|---|---|---|
| Non-Current Assets | 271.9 | 357.6 | 276.0 | 30% |
| Current Assets | 128.4 | 178.1 | 103.1 | 73% |
| **Total Assets** | **400.3** | **535.7** | **379.1** | **41%** |
| Non-Current Liabilities | 149.1 | 182.3 | 150.9 | 21% |
| Current Liabilities | 137.2 | 178.5 | 111.3 | 60% |
| Total Liabilities | 286.3 | 360.8 | 262.2 | 38% |
| Total Equity | 114.0 | 174.9 | 116.9 | 50% |
| **Total Equity and Liabilities** | **400.3** | **535.7** | **379.1** | **41%** |

| ($, m) | FY 2021 | Q1 2022 | Q1 2021 | % Change |
|---|---|---|---|---|
| Gross interest-bearing debt | 131.1 | 151.9 | 122.1 | 24% |
| Cash | 56.1 | 90.6 | 43.1 | 110% |
| **Net debt[2]** | **75.0** | **61.3** | **79.0** | **-22%** |

Notes: [1] The balance sheet as of 31 March 2021 has been restated as disclosed in the Annual Report for the year ended 31 December 2021 [2] Includes gross cash, bond and bank debt and prepaid finance costs; it does not include the Mark-To-Market (MTM) valuations for the bond hedges of USD 9.4m as of 31 March 2022 (USD 6.4m as of 31 December 2021)



## Cash position improved over 31 December 2021

## Net Debt reduced following equity raise and debt placement

# Cashflow Statement

| ($, m) | FY 2021 | Q1 2022 | Q1 2021 | % Change |
|---|---|---|---|---|
| **(Loss)/Profit before taxation** | **1.6** | **7.2** | **-1.1** | **-755%** |
| **Adjustments for:** | | | | |
| Depreciation of PPE | 3.5 | 0.6 | 0.7 | -14% |
| Amortisation of intangible assets | 18.3 | 6.1 | 4.0 | 53% |
| Finance cost (net) | 10.8 | 2.8 | 2.5 | 12% |
| Share based payments | 5.0 | 1.7 | 1.5 | 13% |
| Decrease in trade and other receivables | -20.8 | -4.3 | -10.2 | -58% |
| Increase in trade and other payables and accruals | 24.4 | 7.1 | 15.1 | -53% |
| Decrease in inventories | 0.3 | - | - | - |
| **Cash flow from operations** | **43.1** | **21.2** | **12.5** | **70%** |

**Unadjusted cashflow from operations in Q1 2022 is almost half of FY 2021 already**



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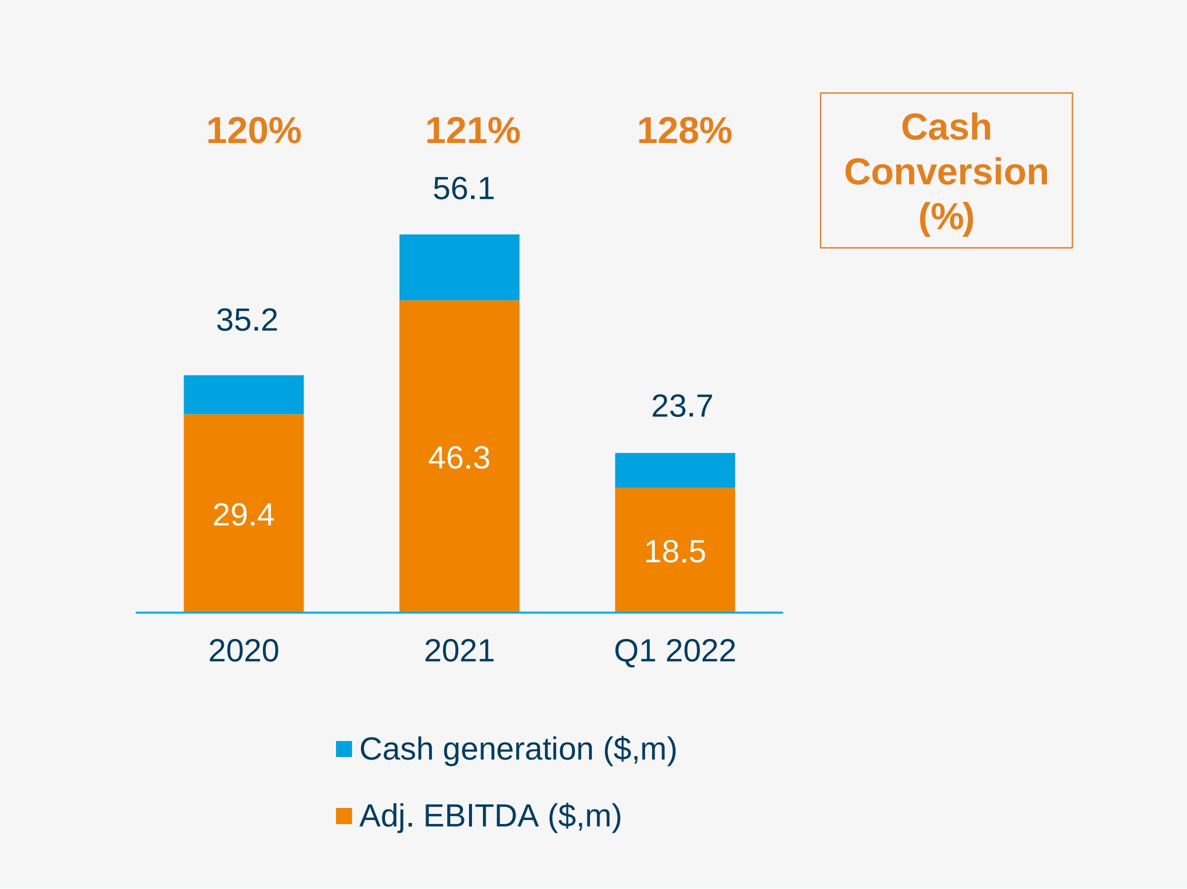
# High cash conversion




## Cash generation from operations = 128% of Adjusted EBITDA (Q1 2021: 163%)

## Testament to high cash conversion

### Adjusted Cashflow Bridge:

| **Cash Conversion Analysis ($, m)** | **FY 2021** | **Q1 2022** | **Q1 2021** |
|---|---|---|---|
| Cashflow from operations | 43.1 | 21.2 | 12.5 |
| Exceptional costs | 11.0 | 1.5 | 3.7 |
| Settlement of working capital items | 2.0 | 1.0 | 0.3 |
| **Adj. cashflow from operations** | **56.1** | **23.7** | **16.5** |
| **Adjusted EBITDA*** | **46.3** | **18.5** | **10.1** |
| **Adjusted Cash Conversion %** | **121%** | **128%** | **163%** |

Notes: [1] Prior years figures have been re-stated [2] Adjusted Cash Conversion is defined as Adj. Cashflow from Operations divided by Adj. EBITDA x Cash Conversion



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# Profits improved with scale

| | ($,m) | Q1 '22 | Q1 '21 | Δ Q1 '22 – Q1 '21 |
|---|---|---|---|---|
| 1 | *Net revenue (gross profit)* | *39.9* | *27.9* | *12.0* |
| | *OPEX* | (21.4) | (17.8) | (3.6) |
| | *Adj. EBITDA* | *18.5* | *10.1* | *8.4* |
| 2 | *Amortisation of intangible assets* | (6.1) | (4.0) | (2.1) |
| | *Depreciation of PPE* | (0.6) | (0.7) | 0.1 |
| | *Foreign exchange gain/(loss)* | 1.0 | 0.4 | 0.6 |
| 3 | *Non-core operating expenses* | (1.1) | (2.9) | 1.8 |
| | *Share-based payments expense* | (1.7) | (1.5) | (0.2) |
| | *Operating profit* | *10.0* | *1.4* | *8.6* |
| | *Finance costs* | (2.8) | (2.5) | (0.3) |
| 4 | *Profit before taxation* | 7.2 | (1.1) | 8.3 |

1. **Overhead to plateau** – staff cost increased due to 5 acquisitions after 31 March 2021 and new hires to accelerate organic growth. Growth in staff has already slowed down as we approach the optimal team size

2. **Amortisation relates to M&A** – these are non-cash costs. When we make acquisitions, IFRS requires us to allocate part of the purchase price to intangibles that are then written down through the P&L each year

3. **Non-core expenses to reduce over time** – contingent costs related to acquisitions and integrations. Reduces over time and as outside advisers replaced with in-house staff

4. **Finance Costs (Interest on bond) will decrease** – tap issue in March 2022 indicates lower margins may be obtainable when refinancing the bond during window from H2 2022 to H1 2023



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# Strategic Priorities

## Organic Growth

- New customer wins
- Growng existing customers, and cross-selling our services
- Launching new products and contracting with new suppliers

## Focused M&A

- Website and e-commerce targets matching our own recurring revenue, cash generation profile
- Strong pipeline of attractively priced deals

## Operating Leverage

- Achieve cost savings in future periods by continuing our integrations
- We expect operational gearing to enhance margins as the group scales

## Sustainable Debt

- Reduce interest rate on historic debt (latest effective interest margin <5%)
- Retain Net Debt / EBITDA ratio of < 2 and interest coverage of > 4x

# Leader in ESG

## Inclusivity

CentralNic's Mission is "Making the internet everybody's domain," and it supplies tools to people in almost every country in the world to succeed in their online projects

## Grants for worthy projects

Through its SK-NIC Fund, CentralNic, has donated over €500,000 in grants to initiatives supporting education, cyber-security and accessibility

## Carbon Reduction/Offset

CentralNic considers carbon emissions in its strategic plan and practices Streamlined Energy and Carbon Reporting (SECR).
The company has offset its identified 2020 GHG emissions by investing in Verified Carbon Standard certified clean energy projects

## Diversity

CentralNic has a very diverse global workforce and operates a policy of considering diversity priorities in all hiring and promotions

# Outlook

Profits expected to improve with scale in future years:

- ❑ Confident that the Company comfortably trades in line with the recently upgraded forecasts
- ❑ The company will issue an H1 trading update on 18 July 2022

1. Q1 2022 results demonstrate the strong potential of our marketplace model for Online Presence and Online Marketing services
2. Online privacy measures, such as the ban of third-party cookies in Google Chrome or App Tracking Transparency in Apple's iOS 14.5, expected to continue drive customers to CentralNic's privacy safe online marketing solutions
3. Pipeline of future acquisition targets remains strong
4. Continuing improvement in cash position, interest coverage and net debt to EBITDA ratio as company grows

# Thank You

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