

1 June 2021

**CENTRALNIC GROUP PLC**  
("CentralNic" or "the Company" or "the Group")

**UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2021**

CentralNic Group Plc (AIM: CNIC), the global internet platform company that derives revenue from the worldwide sales of internet domain names and related web services, announces its unaudited financial results for the three months ended 31 March 2021. Both revenue and adjusted EBITDA have increased quarter-on-quarter, driven by a combination of acquisitions and underlying organic growth.

**Financial summary:**

- Revenue increased by 48% to USD 84.4m (Q1 2020: USD 56.9m)
- Organic revenue growth Q1 2021 compared to Q1 2020 is 16%
- Net revenue/ gross profit increased by 58% to USD 27.9m (Q1 2020: USD 17.7m)
- Adjusted EBITDA\* increased by 23% to USD 10.1m (Q1 2020: USD 8.2m)
- Operating profit of USD 1.4m (Q1 2020: USD 2.9m)
- Adjusted operating cash conversion of 163% (Q1 2020: 46%), primarily due to optimisation of working capital
- Net debt\*\* down to USD 79.0m (gross interest-bearing debt of USD 122.1m, cash of USD 43.1m) as compared to USD 85.0m on 31 December 2020 (gross interest-bearing debt of USD 113.6m, cash of USD 28.6m)

**Operational highlights:**

- Significant investment in new management, staff and systems accelerated organic growth to record levels and positions the Group well for continued growth
- All segments have achieved organic growth compared to the prior year period
- Investment in new products resulting in improved sales of value-added services in Direct and Indirect segments
- Financial and operational performance demonstrate the resilience of all businesses in the face of potential business interruption related to the COVID-19 pandemic

**Financial highlights:**

- Completion of acquisition of SafeBrands, an Enterprise Domain Management and Online Brand Protection provider, strengthening our Enterprise division within the Direct Segment, for USD 3.7m plus a deferred consideration of USD 0.7m
- Successful, oversubscribed placement of EUR 15m (approximately USD 18.2m) of senior secured callable bonds at 104.5% of par value, implying a yield to maturity of 5.0%
- Completion of the acquisition of online marketing business Wando Internet Solutions for USD 6.5m plus an additional performance-based earnout of up to USD 6.5m

**Post period-end highlights:**

- Final EUR 0.8m of deferred consideration for the Team Internet acquisition settled in April 2021
- EUR 0.6m of deferred contingent consideration for the SafeBrands acquisition settled in May 2021

**Outlook:**

- The accelerated organic growth is testament to the success of the investment in new management, staff and systems
- The Company's market consolidation strategy continues, with opportunities being continually assessed in what is a large, globally fragmented and growing market
- Management expects the full year results to be in line with market expectations

**Ben Crawford, CEO of CentralNic, commented:** *“In Q1 2021, CentralNic generated more revenue and EBITDA than in the whole of FY 2018. In our Direct and Indirect segments, which provide the essential tools for business large and small to go online, growth in domain name sales has notably accelerated. More importantly, our efforts to deliver value-added services through our direct and indirect channels are paying off, with the sales of associated services outpacing domain names sales.*

*Subsequent to the recent acquisitions of Zeropark, Voluum and Wando, which have substantially expanded the service offering past monetising traffic on dormant domain names to a full suite of online marketing and monetisation solutions, including data analytics, management resolved to rename the segment more fittingly as “Online Marketing”. CentralNic is a leader in online privacy, as none of our marketing platforms make use of third-party cookies or collect personal data on our customers. We therefore expect that restrictions placed on those practices, e.g. the ban of third-party cookies in Google Chrome or App Tracking Transparency in Apple's iOS 14.5, will benefit CentralNic, as we provide an alternative to online marketers that is proven to be highly effective whilst respecting the privacy of internet users, putting us at the forefront of companies offering solutions for a more privacy conscious world.”*

*\* Subsidiary and associate earnings before interest, tax, depreciation, amortisation, non-cash charges and non-core operating expenses*

*\*\* Includes gross cash, debt and prepaid finance costs*

These unaudited financial results have been prepared for the purpose of fulfilling the information undertaking requirements included in the bond terms for the Senior Secured Callable Bond Issue.

**For further information:**

**CentralNic Group Plc**

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**Forward-Looking Statements**

This document includes forward-looking statements. Whilst these forward-looking statements are made in good faith, they are based upon the information available to CentralNic at the date of this document and upon current expectations, projections, market conditions and assumptions about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about the Group and should be treated with an appropriate degree of caution.

**About CentralNic Group Plc**

CentralNic (AIM: CNIC) is a London-based AIM-listed company which drives the growth of the global digital economy by developing and managing software platforms allowing businesses globally to buy subscriptions to domain names, used for their own websites and email, as well as for protecting their brands online. These platforms can also be used for distributing domain name related software and services, an opportunity that contributes significantly to CentralNic’s organic growth. The Company’s inorganic growth strategy is identifying and acquiring cash-generative businesses in its industry with annuity revenue streams and exposure to growth markets and migrating them onto the CentralNic software and operating platforms. CentralNic operates globally with customers in almost every country in the world. It earns recurring revenues from the worldwide sales of internet domain names and other services on an annual subscription basis. For more information please visit: [www.centralnicgroup.com](http://www.centralnicgroup.com)

## MANAGEMENT COMMENTARY ON PERFORMANCE

### Introduction

CentralNic's organic growth, combined with its 2021 and 2020 acquisitions, substantially increased the scale and capabilities of the Company. The effect of this is demonstrated in our unaudited Q1 2021 results which show a transformational increase in revenue and adjusted EBITDA, both of which have grown by 48% and 23% respectively compared to Q1 2020.

### Performance Overview

The Company has performed strongly during the quarter with the key financial metrics listed below:

	<b>31 March 2021</b>	<b>31 March 2020</b>	<b>Change</b>
	<b>USD m</b>	<b>USD m</b>	<b>%</b>
<b>Revenue</b>	84.4	56.9	48%
<b>Net revenue/ gross profit</b>	27.9	17.7	58%
<b>Adjusted EBITDA</b>	10.1	8.2	23%
<b>Operating profit</b>	1.4	2.9	(52)%
<b>Adjusted operating cash conversion <sup>1</sup></b>	163%	46%	117%
<b>Loss after tax</b>	(1.4)	(1.3)	(8)%
<b>EPS - Basic (cents)</b>	(0.67)	(0.73)	8%
<b>EPS - Adjusted earnings - Basic (cents) <sup>2</sup></b>	3.17	1.97	61%

<sup>1</sup> Please refer to note 8

<sup>2</sup> Please refer to note 7

### Segmental analysis

In our Direct and Indirect segments, which provide the essential tools for business large and small to go online, growth in domain name sales has accelerated notably. More importantly, our efforts to deliver value-added services through our direct and indirect channels are paying off, with the sales of associated services outpacing domain names sales. Organic growth rates quoted below are calculated on a pro forma basis including all the Group's constituents as of the last balance sheet excluding non-cash revenues and on a constant currency basis (which may have a significant impact given fluctuations in foreign exchange rates).

#### Indirect segment

Significant scale was achieved in the Indirect segment, with revenues increasing by USD 4.9m, or 24%, from USD 20.5m to USD 25.4m. The growth has been carried by the Group's key Wholesale brands. Organic growth of the segment was 13%.

#### Direct segment

Revenue in the Direct segment increased by USD 3.1m, or 29%, from USD 10.6m to USD 13.7m. On an organic basis, revenue grew by 13%. Management is particularly pleased with this development as both the Retail business and the Corporate business have returned to growth, also supported by new project work wins for major Telcos. In particular the North American corporate domain business performed very strongly.

**Online Marketing segment**

Subsequent to the recent acquisitions of Zeropark, Voluum and Wando, which have substantially expanded the service offering beyond monetising traffic on dormant domain names to a full suite of demand side and supply side solutions, including data analytics, management resolved to rename the segment more fittingly as “Online Marketing”. The Online Marketing segment was the fastest growing one, with revenues increasing by USD 19.5m, or 76%, from USD 25.8m to USD 45.3m. Revenue continued to grow organically at a high rate of 19%, largely driven by Team Internet’s PubTONIC, with the remainder being contributed by the acquisitions of Zeropark, Voluum and Wando.

CentralNic is a leader in online privacy, as none of our marketing platforms make use of third-party cookies or collect personal data on our customers. We therefore expect that restrictions placed on those practices (e.g. the ban of third-party cookies in Google Chrome or App Tracking Transparency in Apple's iOS 14.5) will benefit CentralNic, as we provide an alternative to online marketers that is proven to be highly effective whilst respecting the privacy of internet users, putting us at the forefront of companies offering solutions for a more privacy conscious world.

**Outlook**

In Q1 2021 CentralNic reported 16% organic revenue growth on a pro forma basis. Management is pleased with the achievement of strong results in Q1 2021, in line with market expectations.

These robust results demonstrate that CentralNic can continuously source and complete transformative acquisitions and integrate them successfully while continuing to deliver organic growth. Moreover, as the business scales rapidly, the underlying qualities of high recurring revenues and excellent cash conversion become increasingly meaningful.

The pipeline of future acquisition targets remains strong, while the net debt level remains comfortable particularly given the profitability of the existing CentralNic Group and the expected contribution from recent acquisitions. We are confident in continuing our trajectory towards joining the ranks of the global leaders in our industry.

**Ben Crawford**  
**Chief Executive Officer**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Note	Unaudited	Unaudited	Audited
		Three months ended 31 Mar 2021 USD m	Three months ended 31 Mar 2020 USD m	Year ended 31 Dec 2020 USD m
Revenue	4	84.4	56.9	241.2
Cost of sales		(56.5)	(39.2)	(164.9)
Gross profit		27.9	17.7	76.3
Administrative expenses		(25.0)	(13.4)	(70.8)
Share-based payments expense		(1.5)	(1.4)	(5.1)
<b>Operating profit</b>		<b>1.4</b>	<b>2.9</b>	<b>0.4</b>
<b>Adjusted EBITDA<sup>(a)</sup></b>		<b>10.1</b>	<b>8.2</b>	<b>30.6</b>
Depreciation of property, plant and equipment		(0.7)	(0.5)	(2.1)
Amortisation of intangible assets		(4.0)	(2.9)	(12.5)
Non-core operating expenses <sup>(b)</sup>	5	(2.9)	(1.1)	(8.2)
Foreign exchange gain/(loss)		0.4	0.6	(2.1)
Share of associate EBITDA		-	-	(0.2)
Share-based payment expenses		(1.5)	(1.4)	(5.1)
<b>Operating profit</b>		<b>1.4</b>	<b>2.9</b>	<b>0.4</b>
Finance costs	6	(2.5)	(2.2)	(10.0)
Foreign exchange gain on borrowings	6	-	-	0.1
Net finance costs		(2.5)	(2.2)	(9.9)
Share of associate income		-	-	0.1
<b>(Loss)/profit before taxation</b>		<b>(1.1)</b>	<b>0.7</b>	<b>(9.4)</b>
Income tax (expense)/income		(0.3)	(2.0)	1.0
<b>Loss after taxation</b>		<b>(1.4)</b>	<b>(1.3)</b>	<b>(8.4)</b>
<b>Items that may be reclassified subsequently to profit and loss</b>				
Exchange difference on translation of foreign operation		3.7	(3.7)	3.2
<b>Total comprehensive income/(loss) for the period</b>		<b>2.3</b>	<b>(5.0)</b>	<b>(5.2)</b>
<b>Loss is attributable to:</b>				
Owners of CentralNic Plc		(1.4)	(1.3)	(8.4)
<b>Total comprehensive income/(loss) is attributable to:</b>				
Owners of CentralNic Plc		<b>2.3</b>	<b>(5.0)</b>	<b>(5.2)</b>
<b>Earnings per share:</b>				
Basic (cents)		(0.67)	(0.73)	(4.28)
Diluted (cents)		(0.67)	(0.73)	(4.28)
Adjusted earnings – Basic (cents)		3.17	1.97	10.57
Adjusted earnings – Diluted (cents)		3.04	1.90	10.16

All amounts relate to continuing activities.

<sup>(a)</sup> Subsidiary and associate earnings before interest, tax, depreciation, amortisation, non-cash charges and non-core operating expenses.

<sup>(b)</sup> Non-core operating expenses include items related primarily to acquisition, integration and other related costs, which are not incurred as part of the underlying trading performance of the Group, and which are therefore adjusted for, in line with Group policy.

<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>	<b>Unaudited Three months ended 31 Mar 2021 USD m</b>	<b>Unaudited Three months ended 31 Mar 2020 USD m</b>	<b>Audited Year ended 31 Dec 2020 USD m</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	2.2	1.7	2.2
Right-of-use assets	6.0	4.3	6.5
Intangible assets	262.9	196.6	257.0
Deferred receivables	0.6	0.1	0.7
Investments	0.1	1.4	0.1
Deferred tax assets	5.4	2.3	5.3
	<b>277.2</b>	<b>206.4</b>	<b>271.8</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	58.1	46.4	47.9
Inventory	1.9	0.5	1.0
Cash and bank balances	43.1	24.1	28.7
	<b>103.1</b>	<b>71.0</b>	<b>77.6</b>
<b>TOTAL ASSETS</b>	<b>380.3</b>	<b>277.4</b>	<b>349.4</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	0.3	0.2	0.3
Share premium	39.8	74.8	39.8
Merger relief reserve	5.3	5.3	5.3
Share-based payments reserve	11.7	7.5	11.0
Foreign exchange translation reserve	5.1	(5.5)	1.4
Accumulated profits/(losses)	57.9	(8.8)	59.3
<b>TOTAL EQUITY</b>	<b>120.1</b>	<b>73.5</b>	<b>117.1</b>
<b>NON-CURRENT LIABILITIES</b>			
Other payables	5.3	5.2	2.9
Lease liabilities	4.7	3.6	5.2
Deferred tax liabilities	20.6	21.5	22.0
Borrowings	120.3	96.4	107.8
	<b>150.9</b>	<b>126.7</b>	<b>137.9</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables and accruals	106.1	72.0	87.3
Lease liabilities	1.4	0.7	1.3
Borrowings	1.8	4.5	5.8
	<b>109.3</b>	<b>77.2</b>	<b>94.4</b>
<b>TOTAL LIABILITIES</b>	<b>260.2</b>	<b>203.9</b>	<b>232.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>380.3</b>	<b>277.4</b>	<b>349.4</b>

CENTRALNIC GROUP PLC CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY	Share capital USD m	Share premium USD m	Merger relief reserve USD m	Share- based payments reserve USD m	Foreign exchange translation reserve USD m	Accumulated profits/ (losses) USD m	Equity attributa- ble to owners of the Parent Company USD m	Non- Controlling Interest USD m	Total USD m
<b>Balance as at 1 January 2020</b>	<b>0.2</b>	<b>74.8</b>	<b>5.3</b>	<b>6.1</b>	<b>(1.8)</b>	<b>(7.5)</b>	<b>77.1</b>	<b>(0.1)</b>	<b>77.0</b>
Loss for the period	-	-	-	-	-	(1.3)	(1.3)	-	(1.3)
Adjustment to non- controlling interest	-	-	-	-	-	-	-	0.1	0.1
Translation of foreign operation	-	-	-	-	(3.7)	-	(3.7)	-	(3.7)
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>(3.7)</b>	<b>(1.3)</b>	<b>(5.0)</b>	<b>0.1</b>	<b>(4.9)</b>
Share-based payments	-	-	-	1.4	-	-	1.4	-	1.4
<b>Balance as at 31 March 2020</b>	<b>0.2</b>	<b>74.8</b>	<b>5.3</b>	<b>7.5</b>	<b>(5.5)</b>	<b>(8.8)</b>	<b>73.5</b>	-	<b>73.5</b>
Loss for the period	-	-	-	-	-	(7.2)	(7.2)	-	(7.2)
Translation of foreign operation	-	-	-	-	6.9	-	6.9	-	6.9
<b>Total comprehensive income for the period</b>	-	-	-	-	6.9	(7.2)	<b>(0.3)</b>	-	<b>(0.3)</b>
Issue of new shares	0.1	43.7	-	-	-	-	43.8	-	43.8
Share issue costs	-	(3.9)	-	-	-	-	(3.9)	-	(3.9)
Capital reduction	-	(74.8)	-	-	-	74.8	-	-	-
Share-based payments	-	-	-	3.8	-	-	3.8	-	3.8
Share-based payments – deferred tax asset	-	-	-	0.2	-	-	0.2	-	0.2
Share-based payments – exercised and lapsed	-	-	-	(0.5)	-	0.5	-	-	-
<b>Balance as at 31 December 2020</b>	<b>0.3</b>	<b>39.8</b>	<b>5.3</b>	<b>11.0</b>	<b>1.4</b>	<b>59.3</b>	<b>117.1</b>	-	<b>117.1</b>
Loss for the period	-	-	-	-	-	(1.4)	(1.4)	-	(1.4)
Translation of foreign operation	-	-	-	-	3.7	-	3.7	-	3.7
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>3.7</b>	(1.4)	<b>2.3</b>	-	<b>2.3</b>
Share-based payments	-	-	-	1.5	-	-	1.5	-	1.5
Share-based payments – exercised and lapsed	-	-	-	(0.8)	-	-	(0.8)	-	(0.8)
<b>Balance as at 31 March 2021</b>	<b>0.3</b>	<b>39.8</b>	<b>5.3</b>	<b>11.7</b>	<b>5.1</b>	<b>57.9</b>	<b>120.1</b>	-	<b>120.1</b>

- Share capital represents the nominal value of the company's cumulative issued share capital.
- Share premium represents the cumulative excess of the fair value of consideration received for the issue of shares in excess of their nominal value less attributable share issue costs and other permitted reductions.
- Merger relief reserve represents the cumulative excess of the fair value of consideration received for the issue of shares in excess of their nominal value less attributable shares issue costs and other permitted reductions.
- Retained earnings represent the cumulative value of the profits not distributed to shareholders but retained to finance the future capital requirements of the CentralNic Group.
- Share-based payments reserve represents the cumulative value of share-based payments recognised through equity.
- Foreign exchange translation reserve represents the cumulative exchange differences arising on Group consolidation.
- Foreign currency hedging reserve represents the effective portion of changes in the fair value of derivatives.
- The non-controlling interests comprise the portion of equity of subsidiaries that are not owned, directly or indirectly, by the Group. These non-controlling interests are individually not material for the Group.

<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>Unaudited Three months ended 31 Mar 2021 USD m</b>	<b>Unaudited Three months ended 31 Mar 2020 USD m</b>	<b>Audited Year ended 31 Dec 2020 USD m</b>
<b>Cash flow from operating activities</b>			
(Loss)/profit before taxation	(1.1)	0.7	(9.4)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	0.7	0.5	2.1
Amortisation of intangible assets	4.0	2.9	12.5
Share of associate EBITDA	-	-	(0.2)
Gain on sale of associate	-	-	(0.3)
Finance cost (net)	2.5	2.2	9.9
Share-based payments	1.5	1.4	5.1
Increase in trade and other receivables	(10.2)	(5.6)	(9.3)
Increase/(decrease) in trade and other payables	15.1	(0.9)	12.3
<b>Cash flow generated from operations</b>	<b>12.5</b>	<b>1.2</b>	<b>22.7</b>
Income tax paid	-	(0.7)	(2.0)
<b>Net cash flow generated from operating activities</b>	<b>12.5</b>	<b>0.5</b>	<b>20.7</b>
<b>Cash flow used in investing activities</b>			
Purchase of property, plant and equipment	(0.2)	(0.1)	(1.2)
Purchase of intangible assets	(0.6)	(0.3)	(3.0)
Payment of deferred consideration	-	-	(5.5)
Proceeds from disposal of investment in associate	-	-	1.8
Acquisition of subsidiaries	(11.1)	(1.1)	(37.1)
<b>Net cash flow used in investing activities</b>	<b>(11.9)</b>	<b>(1.5)</b>	<b>(45.0)</b>
<b>Cash flow used in financing activities</b>			
Proceeds from borrowings	18.2	2.0	2.2
Bond arrangement fees	(0.4)	-	(0.6)
Proceeds from issuance of ordinary shares (net)	-	-	34.7
Payment of lease liability	(0.4)	(0.4)	(1.1)
Interest paid	(2.3)	(1.8)	(9.5)
<b>Net cash flow generated/(used in) from financing activities</b>	<b>15.1</b>	<b>(0.2)</b>	<b>25.7</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>15.7</b>	<b>(1.2)</b>	<b>1.4</b>
Cash and cash equivalents at beginning of the period/year	28.7	26.2	26.2
Exchange (losses)/gains on cash and cash equivalents	(1.3)	(0.9)	1.1
<b>Cash and cash equivalents at end of the period/year</b>	<b>43.1</b>	<b>24.1</b>	<b>28.7</b>



## NOTES TO THE UNAUDITED FINANCIAL RESULTS

### 1. General information

CentralNic Group Plc is the UK holding company of a group of companies which are engaged in the provision of global domain name services. The Company is registered in England and Wales. Its registered office and principal place of business is 4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR.

The CentralNic Group is a global internet platform that derives revenue from the worldwide sales of internet domain names and related web services.

### 2. Basis of preparation

The financial results for the three months ended 31 March 2021 are unaudited and have been prepared on the basis of the accounting policies set out in the Group's 2020 statutory accounts for the purpose of fulfilling the information undertaking requirements included in the bond terms for the Senior Secured Callable Bond Issue and, for all periods presented, in line with the principal disclosure requirements of IAS 34: Interim Financial Reporting.

The unaudited financial results are condensed and do not represent statutory accounts within the meaning of section 435 of the Companies Act 2016. The statutory accounts for the year ended 31 December 2020, upon which the auditors issued an unqualified opinion, are available on the Group's website and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

As a profitable provider of online subscription services with high cash conversion and solid organic growth, de-centrally organised and catering to solid customers distributed over the entire globe, CentralNic has not been, and is not expected to be, severely affected by COVID-19. The Directors have taken the necessary precautions to preserve the Group's cash and review the acquisition pipeline and financing plans to ensure stability and optimisation of the business strategies in the current global climate.

### 3. Segment analysis

CentralNic is an independent global service provider distributing domain names and associated digital subscription products through Indirect and Direct channels, as well as providing Online Marketing services. Operating segments are organised around the products and services of the business and are prepared in a manner consistent with the internal reporting used by the chief operating decision maker to determine allocation of resources to segments and to assess segmental performance. The Directors do not rely on analyses of segment assets and liabilities, nor on segmental cash flows arising from the operating, investing and financing activities for each reportable segment, for their decision making and therefore have not included them.

The Indirect segment is a global distributor of domain names through a network of channel partners. The Direct segment sells domain names and ancillary services to end users, monitoring services to protect brands online, technical and consultancy services to corporate clients, and licenses the Group's in-house developed registry management platform, also on a global basis. The Online Marketing segment provides advertising placement services to match those who have traffic, e.g. domain name owners and content website operators, with those who want traffic, e.g. ecommerce website operators and affiliates on a global basis, including AI based data analytics and automation tools.

Management reviews the activities of the CentralNic Group in the segments disclosed below:

	Three months ended 31 March 2021			
	Indirect USD m	Direct USD m	Online Marketing USD m	Total USD m
<b>Revenue</b>	25.4	13.7	45.3	84.4
Gross profit	8.6	6.9	12.4	27.9
Total administrative expenses				(25.0)
Share-based payments expenses				(1.5)
<b>Operating profit</b>				1.4
<b>Adjusted EBITDA</b>				10.1
Depreciation of property, plant and equipment				(0.7)
Amortisation of intangibles assets				(4.0)
Non-core operating expenses				(2.9)
Foreign exchange gain				0.4
Share-based payment expenses				(1.5)
<b>Operating profit</b>				<b>1.4</b>
Net finance cost				(2.5)
<b>Loss before taxation</b>				(1.1)
Income tax expense				(0.3)
<b>Loss after taxation</b>				(1.4)

### 3. Segment analysis (continued)

#### Three months ended 31 March 2020

	Indirect USD m	Direct USD m	Online Marketing USD m	Total USD m
<b>Revenue</b>	20.5	10.6	25.8	56.9
Gross profit	5.6	5.2	6.9	17.7
Total administrative expenses				(13.4)
Share-based payments expenses				(1.4)
<b>Operating profit</b>				2.9
<b>Adjusted EBITDA</b>				8.2
Depreciation of property, plant and equipment				(0.5)
Amortisation of intangibles assets				(2.9)
Non-core operating expenses				(1.1)
Foreign exchange gain				0.6
Share-based payment expenses				(1.4)
<b>Operating profit</b>				2.9
Net Finance cost				(2.2)
<b>Profit before taxation</b>				0.7
Income tax expense				(2.0)
<b>Loss after taxation</b>				(1.3)

#### Year ended 31 December 2020

	Indirect USD m	Direct USD m	Online Marketing USD m	Total USD m
<b>Revenue</b>	85.8	43.3	112.1	241.2
Gross profit	25.8	20.5	30.0	76.3
Total administrative expenses				(70.8)
Share-based payments expenses				(5.1)
<b>Operating profit</b>				0.4
<b>Adjusted EBITDA</b>				30.6
Depreciation of property, plant and equipment				(2.1)
Amortisation of intangibles assets				(12.5)
Non-core operating expenses				(8.2)
Foreign exchange loss				(2.1)
Share of associate income				(0.2)
Share-based payment expenses				(5.1)
<b>Operating profit</b>				0.4
Net finance cost				(9.9)
Share of associate income				0.1
<b>Loss before taxation</b>				(9.4)
Income tax expense				1.0
<b>Loss after taxation</b>				(8.4)

#### 4. Revenue

The Group's revenue is generated from the following geographical areas:

	Unaudited Three months ended 31 March 2021 USD m	Unaudited Three months ended 31 March 2020 USD m	Audited Year ended 31 December 2020 USD m
<b>Indirect services</b>			
UK	0.3	0.3	1.0
North America	7.4	5.4	22.5
Europe	13.1	10.6	45.8
ROW	4.6	4.2	16.5
	<b>25.4</b>	<b>20.5</b>	<b>85.8</b>
<b>Direct services</b>			
UK	0.7	0.6	2.4
North America	3.6	3.3	13.4
Europe	6.7	4.3	18.3
ROW	2.7	2.4	9.2
	<b>13.7</b>	<b>10.6</b>	<b>43.3</b>
<b>Online Marketing</b>			
UK	0.8	0.1	0.6
North America	5.1	1.0	6.2
Europe	34.4	24.0	100.1
ROW	5.0	0.7	5.2
	<b>45.3</b>	<b>25.8</b>	<b>112.1</b>
<b>Total revenue</b>	<b>84.4</b>	<b>56.9</b>	<b>241.2</b>

#### 5. Non-core operating expenses

	Unaudited Three months ended 31 March 2021 USD m	Unaudited Three months ended 31 March 2020 USD m	Audited Year ended 31 December 2020 USD m
Acquisition related costs	0.8	0.2	1.4
Integration and streamlining costs	1.2	0.9	3.6
Other costs <sup>(1)</sup>	0.9	-	3.2
	<b>2.9</b>	<b>1.1</b>	<b>8.2</b>

<sup>(1)</sup> Other costs include items related primarily to business reviews and restructuring expenses.

## 6. Finance costs

	Unaudited Three months ended 31 March 2021 USD m	Unaudited Three months ended 31 March 2020 USD m	Audited Year ended 31 December 2020 USD m
Impact of unwinding of discount on net present value of deferred consideration	-	-	(0.2)
Reappraisal of deferred consideration	-	-	(0.9)
Foreign exchange (gain)/loss on revaluation of revolving credit facility	-	-	0.1
Arrangement fees on borrowings	(0.3)	(0.2)	(1.1)
Interest expense on current borrowings	(0.1)	(0.3)	(0.3)
Interest expense on non-current borrowings	(2.1)	(1.7)	(7.3)
Interest expense on leases	-	-	(0.2)
<b>Net finance costs</b>	<b>(2.5)</b>	<b>(2.2)</b>	<b>(9.9)</b>

## 7. Earnings per share

Earnings per share has been calculated by dividing the consolidated loss after taxation attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share has been calculated on the same basis as above, except that the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares (arising from the Group's share option scheme and warrants) into ordinary shares has been added to the denominator. There are no changes to the profit (numerator) as a result of the dilutive calculation. Due to the loss made in the year ended 31 December 2020, the impact of the potential shares to be issued on exercise of share options and warrants would be anti-dilutive and therefore diluted earnings per share is reported on the same basis on earnings per share.

	Unaudited Three months ended 31 March 2021 USD m	Unaudited Three months ended 31 March 2020 USD m	Audited Year ended 31 December 2020 USD m
Loss after tax attributable to owners	<b>(1.4)</b>	<b>(1.3)</b>	<b>(8.4)</b>
Operating profit	1.4	2.9	0.4
Depreciation of property, plant and equipment	0.7	0.5	2.1
Amortisation of intangible assets	4.0	2.9	12.5
Non-core operating expenses	2.9	1.1	8.2
Foreign exchange (gain)/loss	(0.4)	(0.6)	2.1
Share of associate income	-	-	0.2
Share-based payment expenses	1.5	1.4	5.1
Adjusted EBITDA	10.1	8.2	30.6
Depreciation	(0.7)	(0.5)	(2.1)
Finance costs (excluding deferred consideration related amounts – note 6)	(2.5)	(2.2)	(8.7)
Taxation	(0.3)	(2.0)	1.0
Adjusted earnings	<b>6.6</b>	<b>3.5</b>	<b>20.8</b>
<b>Weighted average number of shares:</b>			
Basic	208,520,020	178,096,349	196,680,310
Effect of dilutive potential ordinary shares	8,725,291	6,440,183	8,019,971
Diluted average number of shares	<b>217,245,311</b>	<b>184,536,532</b>	<b>204,700,281</b>
<b>Earnings per share:</b>			
Basic (cents)	(0.67)	(0.73)	(4.28)
Diluted (cents)	(0.67)	(0.73)	(4.28)
Adjusted earnings – Basic (cents)	3.17	1.97	10.57
Adjusted earnings – Diluted (cents)	3.04	1.90	10.16

Basic and diluted earnings per share of (0.67) cents (Q1 2020: (0.73) cents) has been impacted by interest, tax, depreciation, amortisation, non-cash charges and non-core operating expenses. Tax on adjusted earnings is the same figure as that shown in the consolidated statement of comprehensive income given that the majority of the adjusting items in the earnings per share calculation above are also adjusted for when calculating the Group's tax expense.

## 8. Financial instruments

The CentralNic Group is exposed to market risk, credit risk and liquidity risk arising from financial instruments. The Group's overall financial risk management policy focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not trade in financial instruments.

Cash conversion for the three-month period ended 31 March 2021 was as follows:

	Unaudited Three months to 31 March 2021 USD m	Unaudited Three months to 31 March 2020 USD m	Unaudited Year ended 31 December 2020 USD m
<b>Cash conversion</b>			
Cash flow from operations	12.5	1.2	22.7
Exceptional costs incurred and paid during the year	3.7	1.1	7.5
Settlement of one-off working capital items from the prior year	0.3	1.5	5.1
<b>Adjusted cash flow from operations</b>	<b>16.5</b>	<b>3.8</b>	<b>35.3</b>
Adjusted EBITDA	10.1	8.2	30.6
Conversion %	163%	46%	115%

Single quarter cash conversion may diverge notably from the long-term trend and should be expected to converge towards annual averages as demonstrated historically.

Net debt as at 31 March 2021, 31 March 2020 and 31 December 2020 is shown in the table below.

	Bond USD m	Bank debt USD m	Cash USD m	Net debt USD m
<b>At 1 January 2020</b>	<b>(97.7)</b>	<b>(3.5)</b>	<b>26.2</b>	<b>(75.0)</b>
Drawdown	-	(2.2)	2.2	-
Amortisation of costs	(0.2)	-	-	(0.2)
Other cash movements	-	-	(3.4)	(3.4)
Net cash flows before foreign exchange	(0.2)	(2.2)	(1.2)	(3.6)
Foreign exchange differences	2.3	0.3	(0.9)	1.7
<b>At 31 March 2020</b>	<b>(95.6)</b>	<b>(5.4)</b>	<b>24.1</b>	<b>(76.9)</b>
Drawdown	-	(0.8)	0.8	-
Amortisation of costs	(0.8)	-	-	(0.8)
Other cash movements	-	-	1.8	1.8
Net cash flows before foreign exchange	(0.8)	(0.8)	2.6	1.0
Foreign exchange differences	(10.9)	(0.1)	1.9	(9.1)
<b>At 31 December 2020</b>	<b>(107.3)</b>	<b>(6.3)</b>	<b>28.6</b>	<b>(85.0)</b>
Amortisation of costs	0.4	-	-	0.4
Placing proceeds (net of costs)	(18.2)	-	18.2	-
Other cash movements	-	4.4	(2.4)	2.0
Net cash flows before foreign exchange	(17.8)	4.4	15.8	2.4
Foreign exchange differences	4.8	0.1	(1.3)	3.6
<b>At 31 March 2021</b>	<b>(120.3)</b>	<b>(1.8)</b>	<b>43.1</b>	<b>(79.0)</b>

## 9. Business combinations

### Acquisition of SafeBrands

On 9 January 2021, CentralNic acquired SafeBrands, a France-based corporate domain management and brand protection company, for a purchase price of up to EUR 3.0m (approximately USD 3.6m). Additional consideration of EUR 0.6m (USD 0.7m) is now payable as SafeBrands has met agreed FY2020 financial objectives. SafeBrands offers registration management for all Top-Level Domains and a wide range of value-added services for domain management and brand protection, including secure hosting, DNS optimisation and SSL management. SafeBrands' online brand protection products and expertise have, to date, been available to companies based in French-speaking markets. CentralNic plans to offer these services, which help businesses protect their revenue streams in digital channels, through its global brand services offering, which currently serves clients worldwide through teams based in the US, the UK, Canada, Australia, Germany, New Zealand, and other countries. SafeBrands' strong presence in France, one of the largest internet services markets globally, complements CentralNic's brand services business, which includes a leading corporate registrar in Germany. This positions CentralNic as the European champion for corporate domain portfolio management and online brand protection, as well as one of the top three global leaders available to serve customers in any country.

The following table summarises the consideration paid for SafeBrands and the fair values of the assets and liabilities at the acquisition date, in line with Group policies.

	<u>USD m</u>
<b>Total consideration</b>	<b>4.4</b>
<b>Fair values recognised on acquisition</b>	
<b>Assets</b>	
Customer relationships	0.7
Developed technologies	0.4
Brand name	0.4
Property, plant and equipment	0.1
Inventories	0.2
Trade receivables	1.6
Other assets	0.1
<b>Total assets</b>	<b>3.5</b>
<b>Liabilities</b>	
Deferred tax	(0.4)
Trade payables	(0.1)
Other provisions	(0.1)
Other liabilities	(0.8)
<b>Total liabilities</b>	<b>(1.4)</b>
<b>Total identifiable estimated net assets at fair value</b>	<b>2.1</b>
<b>Goodwill arising on acquisition</b>	<b>2.3</b>
<b>Purchase consideration</b>	<b>4.4</b>

### Acquisition of Wando Internet Solutions

On 19 February 2021, CentralNic acquired Wando Internet Solutions, a Berlin-based technology company specialising in social marketing, search engine marketing (SEM) advertising and display advertising that enables augmentation of the quality and volume of internet traffic on domain names and websites in order to generate superior returns. In FY2020, Wando generated unaudited revenue of EUR 4.9m (c. USD 5.6m) and unaudited EBITDA of EUR 1.2m (c. USD 1.4m). The acquisition is a vertical integration and more than half of Wando's historical revenue generation has come from CentralNic. The initial consideration for the acquisition is EUR 5.4m (c. USD 6.5m) and the sellers of Wando may earn up to another EUR 5.4m (c. USD 6.5m) payable in Q3 2022 subject to stretched performance targets being met.

The purchase price allocation exercise for the acquisition of Wando Internet Solutions has not been completed as at the date of signing this report, and it is therefore not possible to provide further details of the fair value estimates of the assets and liabilities at the acquisition date.

## 10. Events occurring after the quarter end

Detailed below are the significant events that happened after the Group's quarter end date of 30 March 2021 and before the signing of these Unaudited Financial Results on 1 June 2021.

- CentralNic settled the final EUR 0.8m of deferred consideration withheld from the consideration for Team Internet in April 2020
- As SafeBrands met agreed FY2020 financial objectives, deferred contingent consideration of EUR 0.6m was settled in May 2021
- HSBC has granted a EUR 13.0m Revolving Credit Facility (RCF) and a EUR 5.3m Letter of Credit Facility (LCF) which substitute the former EUR 5.0m RCF and EUR 2.5m LCF provided by Silicon Valley Bank (SVB); the enlargement of the RCF and LCF facilitate the continued growth of the company and allow for better working capital management