Investor Presentation
August 2023

“Helping Online Consumers make informed choices”
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## H1 2023 Financial Highlights

### Record Six Month Results

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (m)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>$396.4m</td>
<td>+18%</td>
</tr>
<tr>
<td>H1 2022: $334.6m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Revenue</td>
<td>$91.2m</td>
<td>+11%</td>
</tr>
<tr>
<td>H1 2022: $82.1m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$44.6m</td>
<td>+16%</td>
</tr>
<tr>
<td>H1 2022: $38.6m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>£11.37</td>
<td>+34%</td>
</tr>
<tr>
<td>H1 2022: £8.46</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Debt</td>
<td>$68.2m</td>
<td>+20%</td>
</tr>
<tr>
<td>FY 2022: $56.6m</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted² Cashflow</td>
<td>$41.9m</td>
<td>-1%</td>
</tr>
<tr>
<td>H1 2022: $42.4m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Notes:
1. Subsidiary 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.
31% Group organic revenue growth for LTM H1 2023

Strong value propositions make for strong growth

36% organic growth
$458m

LTM H1'22
Pro-Forma Adjustment ($, m)
Reported Revenue ($, m)

LTM H1'23
2.1

Online Marketing

15% organic growth
$171m

LTM H1'22
Pro-Forma Adjustment ($, m)
Reported Revenue ($, m)

LTM H1'23
1.9

Online Presence

Note:
(1) Pro-forma adjustment for acquired revenue, constant currency FX impact and non-recurring revenues
Closing in on global market leadership in each of our segments

### Online Marketing

<table>
<thead>
<tr>
<th>Year</th>
<th>CNIC OM Revenue</th>
<th>SYS1 Inc Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>198</td>
<td>476</td>
</tr>
<tr>
<td>2021</td>
<td>314</td>
<td>688</td>
</tr>
<tr>
<td>2022</td>
<td>588</td>
<td>827</td>
</tr>
<tr>
<td>H1 2023</td>
<td>304</td>
<td>315</td>
</tr>
</tbody>
</table>

CNIC OM as % of System1 Inc

- 42%
- 46%
- 71%
- 97%

### Online Presence

<table>
<thead>
<tr>
<th>Year</th>
<th>CNIC OP Revenue</th>
<th>Tucows Domains Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>134</td>
<td>242</td>
</tr>
<tr>
<td>2021</td>
<td>145</td>
<td>246</td>
</tr>
<tr>
<td>2022</td>
<td>156</td>
<td>243</td>
</tr>
<tr>
<td>H1 2023</td>
<td>92</td>
<td>119</td>
</tr>
</tbody>
</table>

CNIC OP as % of Tucows Domains

- 55%
- 59%
- 64%
- 77%

Note:
1. While no two businesses are identical, management believes these are the most similar businesses for which public information is available.
2. CNIC Revenue figures are shown on Pro-Forma basis.
Latest Achievements
Ongoing focus on projects supporting organic growth

**Crown Commercial Services**
CNIC named as a supplier to run and support UK Government’s critical domain infrastructure, gov.uk

**Tier 1 Demand Partner of Sovrn**
ZeroPark upgraded to an exclusive status with Sovrn, a leading publisher technology platform, reaching 500 million active consumers each day

**Klarna as a direct publisher**
Fully onboarded to become a direct publisher with ZeroPark creating novel opportunities for advertisers with Klarna’s 150 million users

**Booking.com deal with ZeroPark**
CNIC will connect high-intent travelers seeking their next getaway directly with booking.com

**AI Powered Domain Search**
Testing complete and soft launched within IBS with positive impact on conversion

**Meilleurs.fr**
First international expansion of our vergleich.org product review business in France, the second largest market for Amazon in EU

**Shopify add-on**
Shopify integration for Voluum has been completed enabling Shopify customers to feed their data into Voluum bolstering their ad, product and page performance

**Booking.com**

**Shopify**

**Sovrn**

**CentralNic Group PLC**
Material Expansion of Share Buyback Programme
Capital allocation policy geared towards greater shareholder returns

- Given the cash generative nature of the business the Board considers the Buyback Programme to be in the best interest of all shareholders
- The company has appointed its broker, Zeus Capital, to manage the programme independently of the Company

<table>
<thead>
<tr>
<th>Date of announcement</th>
<th>Share buyback period</th>
<th>Total buyback limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 May, 2023</td>
<td>14 Aug, 2023</td>
<td>£4.0m</td>
</tr>
</tbody>
</table>

Aggregate consideration reaches the buyback limit

Increased to:

£34.0m
Or a total of 28,866,000 shares
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04 Strategy and Outlook
CentralNic is a diversified house of brands
Established in 1996
CentralNic holds leading positions in select niche markets, driving great results

- **Tonic**: Leading Google AFD based media buying platform
- **Parking Crew**: Globally leading domain parking platform
- **Vergleich.org**: #1 product review portal in German-speaking Europe
- **CentralNic Reseller**: #2 global domain name distribution network
- **Voluum**: Leading Cloud based analytics SaaS for eCommerce affiliates
- **ZeroPark**: Emerging Commerce Media platform
- **CentralNic Registry**: #1 registry services provider for nTLDs
CentralNic creates a vibrant, symbiotic ecosystem, connecting a vast supply with substantial demand

PF LTM H1 ‘23 value flows, Sankey presentation

Social Media: 35%
Native: 25%
Search Ads: 7%
Domains: 7%
Alternative Publishers: 4%
Contextual Ads: 3%
Domain Registries: 17%
Value Added Services: 2%

Cost of Sale OM: $489m
Cost of Sale OP: $114m
Gross Profit: $191m
Total Revenue: $794m
Revenue OM: $623m
Revenue OP: $171m

Search: 67%
Ecommerce: 6%
Affiliate Advertisers: 5%
Analytics SaaS: 1%
Resellers: 14%
SMB: 4%
Corporates: 2%
Registry: 1%

Note:
(1) Pro-forma adjustment for acquired revenue, constant currency FX impact and non-recurring revenues
Additional operational and investment-related KPI

### Operational KPI

**Online Marketing KPIs**

<table>
<thead>
<tr>
<th></th>
<th>H1’22 LTM</th>
<th>H1’23 LTM</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitor Sessions (bn)</td>
<td>3.5</td>
<td>5.3</td>
<td>49%</td>
</tr>
<tr>
<td>RPM ($)</td>
<td>100</td>
<td>100</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Online Presence KPIs**

<table>
<thead>
<tr>
<th></th>
<th>H1’22 LTM</th>
<th>H1’23 LTM</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total domain years (m)</td>
<td>12.0</td>
<td>12.9</td>
<td>7%</td>
</tr>
<tr>
<td>Revenue per year ($)</td>
<td>9.83</td>
<td>10.46</td>
<td>6%</td>
</tr>
</tbody>
</table>

### Financial KPI

**P/E**

- 8.0x

**Adjusted EPS Growth**

- 34%

**FCF Yield**

- 14%

**Dividend Yield**

- 0.8%

### Notes:

1. Based on consensus FY23 Adj EPS of 20.96 cents as seen on Aug 11, 2023 and CNIC share price as of Aug 11, 2023
2. Based on consensus FY23 Adj. Free Cashflow of $63.8m, and CNIC share price as of Aug 11, 2023
3. Based on year-on-year growth of CNIC Adj. EPS, (H1’23 Adj. EPS of 11.37 cents; H1’22 Adj. EPS of 8.46 cents)
4. Based on initial dividend of 1.0 pence and CNIC share price as of Aug 11, 2023
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## Income Statement

<table>
<thead>
<tr>
<th>($, m)</th>
<th>FY 2022</th>
<th>H1 2023</th>
<th>H1 2022</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>728.2</td>
<td>396.4</td>
<td>334.6</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>(550.5)</td>
<td>(305.2)</td>
<td>(252.5)</td>
<td></td>
</tr>
<tr>
<td><strong>Net Revenue (Gross Profit)</strong></td>
<td>177.7</td>
<td>91.2</td>
<td>82.1</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Gross Margin %</strong></td>
<td>24%</td>
<td>23%</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Expenses</strong></td>
<td>(138.4)</td>
<td>(71.4)</td>
<td>(57.7)</td>
<td>24%</td>
</tr>
<tr>
<td><strong>Share Based Payment Expenses</strong></td>
<td>(5.7)</td>
<td>(2.3)</td>
<td>(2.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Profit / (Loss)</strong></td>
<td>33.6</td>
<td>17.5</td>
<td>21.7</td>
<td>-19%</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong> ¹</td>
<td>86.0</td>
<td>44.6</td>
<td>38.6</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td>(3.0)</td>
<td>(1.5)</td>
<td>(1.4)</td>
<td></td>
</tr>
<tr>
<td><strong>Amortisation of intangible assets</strong></td>
<td>(36.4)</td>
<td>(18.5)</td>
<td>(14.0)</td>
<td></td>
</tr>
<tr>
<td><strong>Non-core operating expenses</strong></td>
<td>(8.1)</td>
<td>(3.2)</td>
<td>(2.9)</td>
<td></td>
</tr>
<tr>
<td><strong>Foreign Exchange Gain/(Loss)</strong></td>
<td>0.8</td>
<td>(1.6)</td>
<td>3.7</td>
<td></td>
</tr>
<tr>
<td><strong>Share Based Payment Expenses</strong></td>
<td>(5.7)</td>
<td>(2.3)</td>
<td>(2.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Operating Profit or (Loss)</strong></td>
<td>33.6</td>
<td>17.5</td>
<td>21.7</td>
<td>-19%</td>
</tr>
</tbody>
</table>

Notes:
1. Earnings before interest, tax, depreciation, amortization, non-cash charges and non-core operating expenses

Revenue up by 18%

Adjusted EBITDA up by 16%

Gross margins remaining stable in each business - product mix shifting with massive growth of Media Buying
Balance sheet

($, m) | FY 2022 | H1 2023 | H1 2022 | % Change
--- | --- | --- | --- | ---
Non-Current Assets | 365.0 | 353.2 | 334.2 | 6%
Current Assets | 193.6 | 178.0 | 189.3 | -6%
Total Assets | 558.6 | 531.2 | 523.5 | 1%
Non-Current Liabilities | 194.0 | 185.8 | 170.8 | 9%
Current Liabilities | 197.6 | 182.9 | 187.0 | -2%
Total Liabilities | 391.6 | 368.7 | 357.8 | 3%
Total Equity | 167.0 | 162.5 | 165.7 | -2%
Total Equity and Liabilities | 558.6 | 531.2 | 523.5 | 1%

($, m) | FY 2022 | H1 2023 | H1 2022 | % Change
--- | --- | --- | --- | ---
Gross interest-bearing debt | 151.2 | 151.5 | 142.2 | 7%
Financial Instruments | (0.2) | 0.7 | 0.0 | n.m.
Cash | 94.8 | 82.6 | 95.2 | -13%
Net debt | 56.6 | 68.2 | 47.0 | 45%

Notes:
1. June 2022 Net Debt figure does not include the Mark-to-Market (MTM) valuations of bond hedges of USD of 10.2m as of 30 June 2022;
2. Represents mark-to-market valuation of interest swaps, which fix the variable interest component of USD 75m of bank debt;
3. Includes gross cash, bank debt, prepaid finance costs and MTM valuation of interest rate swaps;

Net debt increased by USD 11.6m since December 31st due to:
- The Company returning cash to shareholders via a share buyback scheme (USD 13.6m)
- Dividend payment (USD 3.6m)
- Settlement of deferred contingent consideration (USD 15.2m)
Robust cash conversion

Cash generation from operations
= 94%
of Adjusted EBITDA

Testament to strong cash conversion

Adjusted Cashflow Bridge:

<table>
<thead>
<tr>
<th></th>
<th>FY 2022</th>
<th>H1 2023</th>
<th>H1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cashflow from operations</td>
<td>86.0</td>
<td>35.3</td>
<td>38.2</td>
</tr>
<tr>
<td>Exceptional costs</td>
<td>7.8</td>
<td>3.2</td>
<td>3.1</td>
</tr>
<tr>
<td>Settlement of working capital items</td>
<td>1.2</td>
<td>3.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Adj. cashflow from operations</td>
<td>95.0</td>
<td>41.9</td>
<td>42.4</td>
</tr>
<tr>
<td>Adjusted EBITDA*</td>
<td>86.0</td>
<td>44.6</td>
<td>38.6</td>
</tr>
<tr>
<td>Adjusted Cash Conversion %</td>
<td>110%</td>
<td>94%</td>
<td>110%</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(8.4)</td>
<td>(2.4)</td>
<td>(1.5)</td>
</tr>
<tr>
<td>Purchase of PPE</td>
<td>(1.3)</td>
<td>(0.8)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>Purchase of intangible assets</td>
<td>(6.2)</td>
<td>(3.8)</td>
<td>(1.9)</td>
</tr>
<tr>
<td>Payment of lease liability</td>
<td>(2.2)</td>
<td>(1.1)</td>
<td>(1.1)</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(7.8)</td>
<td>(6.0)</td>
<td>(2.5)</td>
</tr>
<tr>
<td>Adj. free cashflow</td>
<td>70.1</td>
<td>27.8</td>
<td>35.0</td>
</tr>
<tr>
<td>Adjusted Free Cash Conversion %</td>
<td>82%</td>
<td>62%</td>
<td>91%</td>
</tr>
</tbody>
</table>

Notes:
(1) Adjusted Cash Conversion is defined as Adj. Cashflow from Operations divided by Adj. EBITDA
## Generating profits despite non cash items impact

<table>
<thead>
<tr>
<th>($,m)</th>
<th>H1 2023</th>
<th>H1 2022</th>
<th>Δ H1 2023 – H1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenue (gross profit)</td>
<td>91.2</td>
<td>82.1</td>
<td>9.1</td>
</tr>
<tr>
<td>Core operating expenses (overheads)</td>
<td>(46.6)</td>
<td>(43.5)</td>
<td>(3.1)</td>
</tr>
<tr>
<td>Adj. EBITDA</td>
<td>44.6</td>
<td>38.6</td>
<td>6.0</td>
</tr>
<tr>
<td>Amortisation of intangible assets</td>
<td>(18.5)</td>
<td>(14.0)</td>
<td>(4.5)</td>
</tr>
<tr>
<td>Depreciation of PPE</td>
<td>(1.5)</td>
<td>(1.4)</td>
<td>(0.1)</td>
</tr>
<tr>
<td>Net foreign exchange gains/(losses)</td>
<td>(1.6)</td>
<td>3.7</td>
<td>(5.3)</td>
</tr>
<tr>
<td>Non-core operating expenses</td>
<td>(3.2)</td>
<td>(2.5)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>Share-based payments expense</td>
<td>(2.3)</td>
<td>(2.7)</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td><strong>17.5</strong></td>
<td><strong>21.7</strong></td>
<td><strong>(4.2)</strong></td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(4.2)</td>
<td>(5.9)</td>
<td>1.7</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td><strong>13.3</strong></td>
<td><strong>15.8</strong></td>
<td><strong>(2.5)</strong></td>
</tr>
</tbody>
</table>

**1. Overhead to plateau** – year on year effects of wage inflation are partially offset by successful implementation of cost reduction initiatives

**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 operating expenses to reduce over time** – contingent costs related to restructuring programme

**4. Finance Costs secured** – the Company has successfully refinanced its bond and lowered the interest rate from 7% plus 3m EURIBOR to 2.75% above SOFR (USD). Additionally, the interest income generated from cash holdings is contributing to partially offset the finance cost
CentralNic

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03 Financial results
04 Strategy and Outlook
Strategic priority: creating a virtuous circle

**Organic growth**
- New customer wins
- Growing existing customers, and cross-selling our services
- Launching new products and contracting with new suppliers

**Operating leverage**
- Achieve cost savings in future periods by continuing our integrations
- We expect operational gearing to continue to enhance margins as the Group scales

**Focused bolt-on M&A**
- Targets matching our own recurring revenue and cash generation
- Share buybacks as a benchmark for acquisition cashflow return on investment

**Competitive cost of capital**
- Buyback equity from free cashflow
- Retain Net Debt / EBITDA ratio of < 2 and interest coverage of > 5x
Our AI strategy is not just about applying technology; it’s about reimagining CentralNic as a market leader in a data-driven era

CentralNic’s AI Strategy

**CentralNic has been at the forefront of the industry in terms of integrating AI into the core of our businesses**

- **Piloted and launched dozens of AI projects** over the past 12 months, with substantial success. Examples include:
  - Our AI Domain Spinner resulted in c.20% uplift in conversion rates in our market testing
  - Strategically integrated AI to complement our product reviews in VGL, streamlining the content creation process
  - Utilising AI to enhance HubSpot CRM lead data, centralising vital information and boosting sales efficiency

- **Consistently identifying substantial earnings accretive synergies** through AI automation and productivity enhancements, with an outlook that promises even greater realisation from the immediate horizon and beyond

- **Applying the latest models**. In addition to implementing ChatGPT solutions, we have struck partnerships for pioneering work with Microsoft Bing as well as one of the first in Europe with access to the Google Vertex API as a test partner

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**Three Major Pillars**

1. **Enhance AI Capacity**
2. **Accelerate AI Impact**
3. **Scale our AI Advantage**

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We plan to increase our investment in AI in the coming months as we position for 2024 and beyond, including launching:

1. **an Innovation Hub**
2. **an internal AI Academy**

We are not just adapting to the digital world – we are shaping it.
Social Commerce Vision: $80bn TAM according to McKinsey

1. Current discrete business models:
   - Meta
   - TikTok
   - TONIC
   - Google
   - Amazon

2. Incumbents’ vertical integration efforts:
   - Marketplaces, Shop
   - Inspire, Spark (Stream, Collections, Interesting Finds)

1A. Future aspirations:
   - Meta
   - TikTok
   - CentralNic
   - Amazon
CentralNic recap

Helping online consumers make informed choices

▪ A leading global internet solutions company, operating in two highly attractive markets: high-growth digital advertising (Online Marketing segment) and domain name management solutions (Online Presence segment)

▪ Our segments include:
  • Online Marketing: creating privacy-safe and AI generated online consumer journeys that convert general interest online media users into confident high conviction consumers through advertorial and review websites
  • Online Presence: a critical constituent of the global online presence and productivity tool eco system, where we serve as the primary distribution channel for a wide range of digital products;

▪ Outlook
  • The Directors are confident in the Group’s strategic investments in innovation, integration, and global expansion, anticipating performance at least in line with current market expectations for the year.
  • With high cash reserves, strong operating cash generation, and committed credit facilities, the Company is fully funded to execute its strategy to simultaneously invest in the future and return cash to shareholders

CentralNic Capital Markets Day

Monday 4th of September, 9:30AM, at the London Stock Exchange

▪ We are delighted to invite you to our Capital Markets Day at the London Stock Exchange to be hosted by Michael Riedl, CEO, and the Executive Committee

▪ Book your place by email: CentralNic@secnewgate.co.uk
Thank You