

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

22 November 2021

CENTRALNIC GROUP PLC

("CentralNic" or "the Company" or "the Group")

UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

CentralNic Group Plc (AIM: CNIC), the global internet technology company that sells online presence and marketing services, announces its unaudited financial results for the nine months ended 30 September 2021. Both revenue and adjusted EBITDA have significantly increased year-on-year, driven by a combination of underlying organic growth and acquisitions.

Financial summary:

- Revenue increased by 67% to USD 282.0m (September 2020 YTD: USD 168.5m)
- Organic revenue grew 29% between September 2020 YTD and September 2021 YTD
- Net revenue (gross profit) increased by 60% to USD 85.5m (September 2020 YTD: USD 53.3m)
- Adjusted EBITDA* increased by 46% to USD 32.3m (September 2020 YTD: USD 22.1m)
- Operating profit of USD 8.9m (September 2020 YTD: USD 0.7m)
- Adjusted operating cash conversion of 113% (September 2020 YTD: 93%)
- Net debt** down to USD 78.6m (cash of USD 54.0m, gross interest-bearing debt of USD 132.6m) as compared to USD 85.0m on 31 December 2020 - despite two acquisitions for a combined USD 11.1m in the period, and the settlement of combined deferred consideration of USD 1.7m
- Adjusted EPS for the period increased by 5% to USD 7.73 cents (September 2020 YTD: USD 7.33 cents)

Financial highlights:

- Acceleration of organic growth from 9% in September 2020 YTD to 29% overall for September 2021 YTD
- Non-recurring revenue products contributed less than 1% of our total revenues
- Successful bond tap issue of EUR 15m at 104.5% of nominal value
- Acquisition of SafeBrands (Online Presence segment) in January 2021 and Wando Internet Solutions (Online Marketing segment) in February 2021
- Final and interim deferred consideration payments made for Team Internet (Online Marketing segment)
- Currency exposure on the EUR 105m bond has been hedged at a locked-in average EUR/USD rate of 1.1891

Operational highlights:

- Very strong traction for the Group's privacy-safe online marketing technologies in context of privacy-conscious policies of Big Tech
- Significant investment in new management, staff and systems accelerated organic growth to record levels and positions the Group well for continued growth
- New Data and AI group established to improve customer service, optimise business operations and decision making, enhance marketing, reduce customer churn, and automate detection of non-compliant customer activity
- Appointment of Carsten Sjoerup in the new role of Chief Technology & Product Officer to lead the integration of technology and product teams across all brands, with a focus on technical expertise and new product launches
- Experienced non-executive directors added to the board
- New customer wins for the Registry business include JISC and Dot London

Post period-end highlights:

- Acquisition of publishing network of revenue generating websites for a consideration of USD 6.5m in cash and assumed working capital liabilities was completed on 15 November 2021 and is expected to generate at least USD 2.0m in annualised revenue and USD 1.5m in annualised EBITDA post-acquisition

Outlook:

- The Company expects to trade comfortably at the upper end of market expectations*** for the year for both revenue and adjusted EBITDA
- The accelerated organic growth seen during Q3 2021 YTD is expected to be sustained for the full year following 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 market

Ben Crawford, CEO of CentralNic, commented: *“CentralNic has enjoyed a very strong first nine months of 2021, across both our online presence subscription products and our privacy enabled online marketing technologies - achieving record organic growth of 29% for the year to date. By virtue of our significant investment in human resources, restructuring and market-leading products and promotions, we expect full year revenue and profits to be at least at the upper end of market expectations.*

A virtually pure play recurring revenue business with cash conversion of over 100%, CentralNic continues to improve its cash position, interest coverage and net debt to EBITDA ratio as it grows. As our investment levels plateau moving forward, we expect future periods to benefit from increasing operational leverage.

These robust results reflect CentralNic’s continued success in sourcing, completing and integrating transformative acquisitions and driving the organic growth of our businesses. The pipeline of future acquisition targets remains strong, and we are confident in continuing our trajectory towards joining the ranks of the global leaders in our industry.”

** 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*

****) analyst expectations of revenue and adjusted EBITDA for the financial year ending 31 Dec 2021 currently range from USD 349.0m to USD 384.1m and USD 41.8m to USD 43.0m respectively.*

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. To the best of our knowledge, these unaudited financial results have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Issuer and the Group taken as a whole. In addition, to the best of our knowledge, these unaudited financial results include a fair review of the development and performance of the business and the position of the Issuer and the Group taken as a whole. The principal risks and uncertainties that the business faces remain materially consistent with the risks and uncertainties described in the Risks section of the Group’s 2020 annual report.

Ben Crawford – CEO

Don Baladasan – Group Managing Director

Michael Riedl – CFO

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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, websites, email, and brand protection services - as well as tools for monetising online traffic and acquiring customers online. The company’s organic growth combines selling recurring revenue services with new customer wins, upselling and cross-selling of services, including a pipeline of new products. 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. For more information please visit: 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 September 2021 YTD results which show a transformational increase in revenue and adjusted EBITDA, which have grown by 67% and 46% respectively compared to September 2020 YTD.

Performance Overview

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

	30 September 2021	30 September 2020	Change
	USD m	USD m	%
Revenue	282.0	168.5	67%
Net revenue (gross profit)	85.5	53.3	60%
Adjusted EBITDA	32.3	22.1	46%
Operating profit	8.9	0.7	+8.2m
Adjusted operating cash conversion ¹	113%	93%	+20%
Loss after tax	(2.9)	(6.3)	54%
EPS - Basic (cents)	(1.26)	(3.40)	63%
EPS - Adjusted earnings - Basic (cents) ²	7.73	7.33	5%

¹ Please refer to note 8

² Please refer to note 7

Segmental analysis

The Company has combined the previous Direct and Indirect segments into a single Online Presence segment as of this reporting date. In this segment, which provides the essential tools for businesses to go online, growth in domain name sales has accelerated notably. More importantly, our efforts to deliver value-added services are paying off, with the growth in sales of associated services outpacing growth in domain names sales. The Online Marketing (formerly "Monetisation") segment, was renamed as its service offering has been substantially expanded through the acquisitions of Zeropark, Voluum and Wando, to a full suite of online customer acquisition solutions, including data analytics.

Organic growth rates quoted below are calculated on a pro forma basis including all the Group's constituents as of the last balance sheet dates and adjusted for non-recurring or non-cash revenues and constant currency basis.

Online Presence segment

Significant scale was achieved in the Online Presence segment, with revenues increasing by USD 19.4m in the nine months ended 30 September 2021, or 20%, from USD 95.6m to USD 115.0m. Organic growth of the segment was 9% over the period. The growth has been predominantly carried by the Group's Wholesale and Enterprise brands. Enterprise has seen growth further accelerated by the successful SafeBrands acquisition.

Online Marketing segment

The Online Marketing segment grew more rapidly, with revenues increasing by USD 94.1m, or 129%, from USD 72.9m to USD 167.0m. Organic revenue grew at a high rate of 47%, foremost driven by CentralNic's PubTONIC media buying business, with the additional inorganic growth 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. This puts us at the forefront of companies offering solutions for a more privacy conscious world.

Outlook

CentralNic has enjoyed a very strong first nine months of 2021, across both our online presence subscription products and our privacy enabled online marketing technologies - achieving record organic growth of 29% for the year to date. By virtue of our significant investment in human resources, restructuring and market-leading products and promotions, we expect full year revenue and profits to be at least at the upper end of market expectations.

A virtually pure play recurring revenue business with cash conversion of over 100%, CentralNic continues to improve its cash position, interest coverage and net debt to EBITDA ratio as it grows. As our investment levels plateau moving forward, we expect future periods to benefit from increasing operational leverage.

These robust results reflect CentralNic's continued success in sourcing, completing and integrating transformative acquisitions and driving the organic growth of our businesses. The pipeline of future acquisition targets remains strong, and 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	Restated ^(c)	Audited
		Nine months ended 30 September 2021 USD m	Unaudited Nine months ended 30 September 2020 USD m	Year ended 31 December 2020 USD m
Revenue	4	282.0	168.5	241.2
Cost of sales		(196.5)	(115.2)	(164.9)
Gross profit		85.5	53.3	76.3
Administrative expenses		(73.3)	(48.7)	(70.8)
Share-based payment expenses		(3.3)	(3.9)	(5.1)
Operating profit		8.9	0.7	0.4
Adjusted EBITDA^(a)		32.3	22.1	30.6
Depreciation of property, plant and equipment		(2.7)	(1.5)	(2.1)
Amortisation of intangible assets		(12.5)	(8.8)	(12.5)
Non-core operating expenses ^(b)	5	(6.5)	(6.0)	(8.2)
Foreign exchange gain/(loss)		1.6	(1.2)	(2.1)
Share of associate EBITDA		-	-	(0.2)
Share-based payment expenses		(3.3)	(3.9)	(5.1)
Operating profit		8.9	0.7	0.4
Finance costs	6	(8.0)	(6.5)	(10.0)
Foreign exchange gain on borrowings	6	-	-	0.1
Net finance costs		(8.0)	(6.5)	(9.9)
Share of associate income		-	-	0.1
Profit/(loss) before taxation		0.9	(5.8)	(9.4)
Income tax (expense)/income		(3.8)	(0.5)	1.0
Loss after taxation		(2.9)	(6.3)	(8.4)
Items that may be reclassified subsequently to profit and loss				
Exchange difference on translation of foreign operation		(0.6)	1.4	3.2
Total comprehensive income/(loss) for the period		(3.5)	(4.9)	(5.2)
Loss is attributable to:				
Owners of CentralNic Plc		(2.9)	(6.3)	(8.4)
Total comprehensive income/(loss) is attributable to:				
Owners of CentralNic Plc		(3.5)	(4.9)	(5.2)
Earnings per share:				
Basic (cents)		(1.26)	(3.40)	(4.28)
Diluted (cents)		(1.26)	(3.40)	(4.28)
Adjusted earnings – Basic (cents)		7.73	7.33	10.57
Adjusted earnings – Diluted (cents)		7.52	7.03	10.16

All amounts relate to continuing activities.

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

^(b) 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.

^(c) The comparative figures have been restated due to the reclassification of foreign exchange differences and alignment of tax estimates with the 2020 Annual report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Unaudited Nine months ended 30 September 2021 USD m	Restated^(a) Unaudited Nine months ended 30 September 2020 USD m	Audited Year ended 31 December 2020 USD m
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	2.0	1.7	2.2
Right-of-use assets	6.4	4.1	6.5
Intangible assets	254.5	204.7	257.0
Deferred receivables	0.5	0.3	0.7
Investments	0.1	1.6	0.1
Deferred tax assets	6.6	3.3	5.3
	270.1	215.7	271.8
CURRENT ASSETS			
Trade and other receivables	62.0	37.8	47.9
Inventory	1.0	0.5	1.0
Cash and bank balances	54.0	63.7	28.7
	117.0	102.0	77.6
TOTAL ASSETS	387.1	317.7	349.4
EQUITY AND LIABILITIES			
EQUITY			
Share capital	0.3	0.3	0.3
Share premium	39.8	40.6	39.8
Merger relief reserve	5.3	5.3	5.3
Share-based payments reserve	17.0	8.1	11.0
Cash flow hedging reserve	(3.8)	-	-
Foreign exchange translation reserve	2.0	(0.4)	1.4
Retained earnings	56.8	61.3	59.3
TOTAL EQUITY	117.4	115.2	117.1
NON-CURRENT LIABILITIES			
Other payables	3.4	2.3	2.9
Lease liabilities	4.7	3.2	5.2
Deferred tax liabilities	21.5	21.7	22.0
Borrowings	121.3	103.5	107.8
	150.9	130.7	137.9
CURRENT LIABILITIES			
Trade and other payables and accruals	101.8	65.7	87.3
Lease liabilities	1.9	1.0	1.3
Borrowings	11.3	5.1	5.8
Derivative financial instruments	3.8	-	-
	118.8	71.8	94.4
TOTAL LIABILITIES	269.7	202.5	232.3
TOTAL EQUITY AND LIABILITIES	387.1	317.7	349.4

^(a) The comparative figures have been restated due to the reclassification of foreign exchange differences and alignment of tax estimates with the 2020 Annual report.

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	Cash flow hedging reserve USD m	Foreign exchange translation reserve USD m	Retained earnings/ (losses) USD m	Equity attributable to owners of the Parent Company USD m	Non- Controlling Interest USD m	Total USD m
Balance as at 1 January 2020	0.2	74.8	5.3	6.1	-	(1.8)	(7.5)	77.1	(0.1)	77.0
Loss for the period	-	-	-	-	-	-	(6.3)	(6.3)	-	(6.3)
Adjustment to non-controlling interest	-	-	-	-	-	-	-	-	0.1	0.1
Translation of foreign operation	-	-	-	-	-	1.4	-	1.4	-	1.4
Total comprehensive income for the period	-	-	-	-	-	1.4	(6.3)	(4.9)	0.1	(4.8)
Issue of new shares	0.1	41.8	-	-	-	-	-	41.9	-	41.9
Share issuance costs	-	(1.2)	-	-	-	-	-	(1.2)	-	(1.2)
Capital reduction	-	(74.8)	-	-	-	-	74.8	-	-	-
Share-based payments	-	-	-	2.4	-	-	-	2.4	-	2.4
Share-based payments – deferred tax asset	-	-	-	(0.1)	-	-	-	(0.1)	-	(0.1)
Share-based payments – exercised and lapsed	-	-	-	(0.3)	-	-	0.3	-	-	-
Balance as at 30 September 2020	0.3	40.6	5.3	8.1	-	(0.4)	61.3	115.2	-	115.2
Loss for the period	-	-	-	-	-	-	(2.0)	(2.0)	-	(2.0)
Translation of foreign operation	-	-	-	-	-	1.8	-	1.8	-	1.8
Total comprehensive income for the period	-	-	-	-	-	1.8	(2.0)	(0.2)	-	(0.2)
Issue of new shares	-	1.9	-	-	-	-	-	1.9	-	1.9
Share issue costs	-	(2.7)	-	-	-	-	-	(2.7)	-	(2.7)
Share-based payments	-	-	-	2.8	-	-	-	2.8	-	2.8
Share-based payments – deferred tax asset	-	-	-	0.1	-	-	-	0.1	-	0.1
Share-based payments – exercised and lapsed	-	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2020	0.3	39.8	5.3	11.0	-	1.4	59.3	117.1	-	117.1
Loss for the period	-	-	-	-	-	-	(2.9)	(2.9)	-	(2.9)
Translation of foreign operation	-	-	-	-	-	0.6	-	0.6	-	0.6
Total comprehensive income for the period	-	-	-	-	-	0.6	(2.9)	(2.3)	-	(2.3)
Loss arising on changes in fair value of hedging instruments	-	-	-	-	(3.8)	-	-	(3.8)	-	(3.8)
Share-based payments	-	-	-	4.9	-	-	-	4.9	-	4.9
Share-based payments – deferred tax asset	-	-	-	1.5	-	-	-	1.5	-	1.5
Share-based payments – exercised and lapsed	-	-	-	(0.4)	-	-	0.4	-	-	-
Balance as at 30 September 2021	0.3	39.8	5.3	17.0	(3.8)	2.0	56.8	117.4	-	117.4

- 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.
- Share-based payments reserve represents the cumulative value of share-based payments recognised through equity.
- Cash flow hedging reserve represents the effective portion of changes in the fair value of derivatives.
- Foreign exchange translation reserve represents the cumulative exchange differences arising on Group consolidation.
- 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.

CONSOLIDATED STATEMENT OF CASH FLOWS	Unaudited Nine months ended 30 September 2021	Unaudited Nine months ended 30 September 2020	Audited Year ended 31 December 2020
	USD m	USD m	USD m
Cash flow from operating activities			
Profit/(loss) before taxation	0.9	(5.8)	(9.4)
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	2.7	1.5	2.1
Amortisation of intangible assets	12.5	8.8	12.5
Share of associate EBITDA	-	-	(0.2)
Gain on sale of associate	-	-	(0.3)
Finance cost (net)	8.0	6.5	9.9
Share-based payments	3.3	3.9	5.1
(Increase)/decrease in trade and other receivables	(14.1)	1.0	(9.3)
Increase/(decrease) in trade and other payables	11.6	(2.4)	12.3
Cash flow generated from operations	24.9	13.5	22.7
Income tax (paid)/received	(1.7)	0.1	(2.0)
Net cash flow generated from operating activities	23.2	13.6	20.7
Cash flow used in investing activities			
Purchase of property, plant and equipment	(0.6)	(0.6)	(1.2)
Purchase of intangible assets	(1.6)	(0.6)	(3.0)
Payment of deferred consideration	(1.7)	(5.1)	(5.5)
Proceeds from disposal of investment in associate	-	-	1.8
Acquisition of subsidiaries	(11.1)	(1.0)	(37.1)
Net cash flow used in investing activities	(15.0)	(7.3)	(45.0)
Cash flow used in financing activities			
Proceeds from borrowings	25.5	2.4	2.2
Bond arrangement fees	(0.6)	(0.1)	(0.6)
Proceeds from issuance of ordinary shares (net)	-	37.3	34.7
Payment of lease liability	(1.4)	(0.5)	(1.1)
Interest paid	(4.5)	(5.6)	(9.5)
Net cash flow generated from financing activities	19.0	33.5	25.7
Net increase in cash and cash equivalents	27.2	39.8	1.4
Cash and cash equivalents at beginning of the period/year	28.7	26.2	26.2
Exchange (losses)/gains on cash and cash equivalents	(1.9)	(2.3)	1.1
Cash and cash equivalents at end of the period/year	54.0	63.7	28.7

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 nine months ended 30 September 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 its Online Presence segment, 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 Online Presence segment conducts business as a global distributor of domain names through a network of channel partners as well as selling domain names and ancillary services to end users, monitoring services to protect brands online, technical and consultancy services to corporate clients, and licensing the Group's in-house developed registry management platform 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:

	Nine months ended 30 September 2021		
	Online Presence USD m	Online Marketing USD m	Total USD m
Revenue	115.0	167.0	282.0
Gross profit	42.4	43.1	85.5
Total administrative expenses			(73.3)
Share-based payment expenses			(3.3)
Operating profit			8.9
Adjusted EBITDA			32.3
Depreciation of property, plant and equipment			(2.7)
Amortisation of intangibles assets			(12.5)
Non-core operating expenses			(6.5)
Foreign exchange gain			1.6
Share-based payment expenses			(3.3)
Operating profit			8.9
Net finance cost			(8.0)
Profit before taxation			0.9
Income tax expense			(3.8)
Loss after taxation			(2.9)

3. Segment analysis (continued)

Nine months ended 30 September 2020

	Online Presence USD m	Online Marketing USD m	Total USD m
Revenue	95.6	72.9	168.5
Gross profit	34.1	19.2	53.3
Total administrative expenses			(48.7)
Share-based payment expenses			(3.9)
Operating profit			0.7
Adjusted EBITDA			22.1
Depreciation of property, plant and equipment			(1.5)
Amortisation of intangibles assets			(8.8)
Non-core operating expenses			(6.0)
Foreign exchange loss			(1.2)
Share-based payment expenses			(3.9)
Operating profit			0.7
Net finance cost			(6.5)
Loss before taxation			(5.8)
Income tax expense			(0.5)
Loss after taxation			(6.3)

Year ended 31 December 2020

	Online Presence USD m	Online Marketing USD m	Total USD m
Revenue	129.1	112.1	241.2
Gross profit	46.3	30.0	76.3
Total administrative expenses			(70.8)
Share-based payment expenses			(5.1)
Operating profit			0.4
Adjusted EBITDA			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)
Operating profit			0.4
Net finance cost			(9.9)
Share of associate income			0.1
Loss before taxation			(9.4)
Income tax expense			1.0
Loss after taxation			(8.4)

4. Revenue

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

	Unaudited Nine months ended 30 September 2021 USD m	Unaudited Nine months ended 30 September 2020 USD m	Audited Year ended 31 December 2020 USD m
Online Presence			
UK	2.8	2.7	3.4
North America	33.2	27.2	35.9
Europe	55.5	45.1	64.1
Countries not included above	23.5	20.6	25.7
	115.0	95.6	129.1
Online Marketing			
UK	2.3	0.3	0.6
North America	13.5	2.6	6.2
Europe	134.7	68.3	100.1
Countries not included above	16.5	1.8	5.2
	167.0	72.9	112.1
Total revenue	282.0	168.5	241.2

5. Non-core operating expenses

	Unaudited Nine months ended 30 September 2021 USD m	Unaudited Nine months ended 30 September 2020 USD m	Audited Year ended 31 December 2020 USD m
Acquisition related costs	1.8	0.7	1.4
Integration and streamlining costs	3.4	3.0	3.6
Other costs ⁽¹⁾	1.3	2.3	3.2
	6.5	6.0	8.2

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

6. Finance costs

	Unaudited Nine months ended 30 September 2021 USD m	Unaudited Nine months ended 30 September 2020 USD m	Audited Year ended 31 December 2020 USD m
Impact of unwinding of discount on net present value of deferred consideration	(0.1)	-	(0.2)
Reappraisal of deferred consideration	0.1	-	(0.9)
Foreign exchange (gain)/loss on revaluation of revolving credit facility	-	-	0.1
Arrangement fees on borrowings	(1.1)	(0.8)	(1.1)
Interest expense on current borrowings	(0.3)	(0.2)	(0.3)
Interest expense on non-current borrowings	(6.5)	(5.4)	(7.3)
Interest expense on leases	(0.1)	(0.1)	(0.2)
Net finance costs	(8.0)	(6.5)	(9.9)

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 have 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) because 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 Nine months ended 30 September 2021 USD m	Unaudited Nine months ended 30 September 2020 USD m	Audited Year ended 31 December 2020 USD m
Loss after tax attributable to owners	(2.9)	(6.3)	(8.4)
Operating profit	8.9	0.7	0.4
Depreciation of property, plant and equipment	2.7	1.5	2.1
Amortisation of intangible assets	12.5	8.8	12.5
Non-core operating expenses	6.5	6.0	8.2
Foreign exchange (gain)/loss	(1.6)	1.2	2.1
Share of associate income	-	-	0.2
Share-based payment expenses	3.3	3.9	5.1
Adjusted EBITDA	32.3	22.1	30.6
Depreciation	(2.7)	(1.5)	(2.1)
Finance costs (excluding deferred consideration related amounts – note 6)	(8.0)	(6.5)	(8.7)
Taxation	(3.8)	(0.5)	1.0
Adjusted earnings	17.8	13.6	20.8
Weighted average number of shares:			
Basic	230,362,429	185,521,432	196,680,310
Effect of dilutive potential ordinary shares	6,326,392	8,044,990	8,019,971
Diluted average number of shares	236,688,821	193,566,422	204,700,281
Earnings per share:			
Basic (cents)	(1.26)	(3.40)	(4.28)
Diluted (cents)	(1.26)	(3.40)	(4.28)
Adjusted earnings – Basic (cents)	7.73	7.33	10.57
Adjusted earnings – Diluted (cents)	7.52	7.03	10.16

Basic and diluted earnings per share of (1.26) cents (September 2020 YTD: (3.40) 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 most 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 six-month period ended 30 September 2021 was as follows:

	Unaudited Nine months ended 30 September 2021 USD m	Unaudited Nine months ended 30 September 2020 USD m	Unaudited Year ended 31 December 2020 USD m
Cash conversion			
Cash flow from operations	24.9	13.5	22.7
Exceptional costs incurred and paid during the year	9.1	6.0	7.5
Settlement of one-off working capital items from the prior year	2.5	1.0	5.1
Adjusted cash flow from operations	36.5	20.6	35.3
Adjusted EBITDA	32.3	22.1	30.6
Conversion %	113%	93%	115%

Nine monthly 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 30 September 2021, 30 September 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
At 1 January 2020	(97.7)	(3.5)	26.2	(75.0)
(Drawdown)/ repayment	-	(2.4)	2.4	-
Amortisation of costs	(1.2)	(0.2)	-	(1.4)
Placing proceeds (net of costs)	-	-	37.3	37.3
Other cash movements	-	-	0.1	0.1
Net cash flows before foreign exchange	(1.2)	(2.6)	39.8	36.0
Foreign exchange differences	(3.5)	(0.1)	(2.3)	(5.9)
At 30 September 2020	(102.4)	(6.2)	63.7	(44.9)
(Drawdown)/ repayment	-	0.2	(0.2)	-
Amortisation of costs	2.2	0.1	-	2.3
Other cash movements	-	-	(38.2)	(38.2)
Net cash flows before foreign exchange	2.2	0.3	(38.4)	(35.9)
Foreign exchange differences	(7.1)	(0.5)	3.4	(4.2)
At 31 December 2020	(107.3)	(6.4)	28.7	(85.0)
(Drawdown)/ repayment	-	(7.3)	12.2	4.9
Amortisation of costs	(0.5)	-	-	(0.5)
Placing proceeds (net of costs)	(18.2)	-	18.2	-
Other cash movements	-	-	(3.2)	(3.2)
Net cash flows before foreign exchange	(18.7)	(7.3)	27.2	1.2
Foreign exchange differences	6.7	0.4	(1.9)	5.2
At 30 September 2021	(119.3)	(13.3)	54.0	(78.6)

9. Business combinations

Acquisitions of SafeBrands and Wando Internet Solutions

For further details regarding the acquisition of SafeBrands on 9 January 2021, please refer to note 9 of the unaudited financial results for the three months ended 31 March 2021 as published and released on 1 June 2021.

For further details regarding the acquisition of Wando Internet Solutions on 22 February 2021, please refer to note 9 of the unaudited financial results for the six months ended 30 June 2021 as published and released on 31 August 2021.

10. Events occurring after the quarter end

Detailed below are the significant events that happened after the Group's quarter end date of 30 September 2021 and before the signing of these Unaudited Financial Results on 22 November 2021.

- On 29 October, the Company announced that it entered into an agreement to acquire a publishing network of revenue generating websites ("Publishing Network") for a consideration of USD 6.5m in cash and assumed working capital liabilities ("Acquisition") from White & Case Ltd. The Acquisition completed on 15 November 2021 and has been financed from available liquidity. The acquisition will be immediately earnings accretive. On a standalone basis, the websites are expected to generate at least USD 2.0m in annualised revenue and USD 1.5m in annualised EBITDA post-acquisition. As CentralNic is already today monetising roughly half of the websites' traffic, this is expected to translate into c.USD 1.0m of additional revenue, c.USD 0.5m of reduced COGS and c.USD 1.5m of EBITDA in the 2022 financial year. The Acquisition is part of a larger vertical integration strategy, providing the Group's Online Marketing segment with more proprietary and exclusive traffic to monetise.