

CentralNic is powering the growth of the digital economy

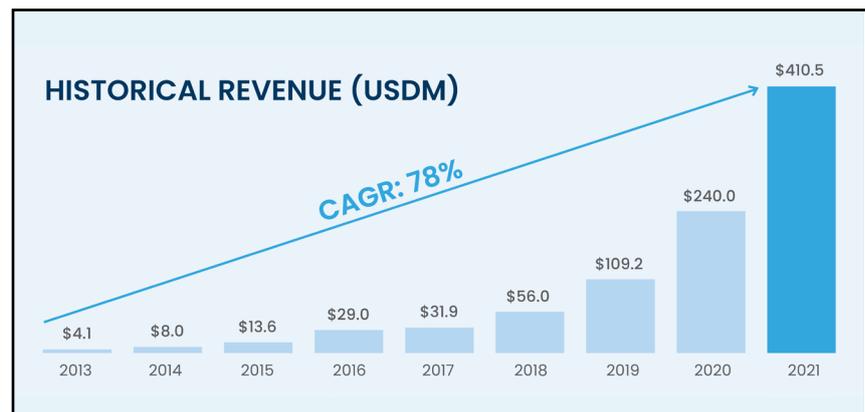
www.centralnicgroup.com

CentralNic (CNIC:AIM) is a London-based AIM-quoted company which helps to drive the growth of the global digital economy by developing and managing online marketplaces. This allows businesses globally to buy subscriptions to domain names for websites and email, monetise their websites, and acquire customers online.

CentralNic creates these marketplaces by acquiring and merging highly cash-generative recurring revenue businesses in its market, each with different customers and suppliers, and then integrating them together to create an accelerated growth network effect. This strategy has resulted in organic growth at a massive rate of 62% over the past 12 months.



Ben Crawford, CEO of CentralNic



BUCKING THE TREND WITH STRONG, ACCELERATING GROWTH

CentralNic is listed in the FT's 1000 list of Europe's fastest-growing companies, and from June 2022 has now been included in FTSE AIM 100 and AIM UK 50 indices.

While many other companies are suffering from recessionary forces, CentralNic has provided investors with increasing, sustainable growth during the period of COVID, further accelerating in 2022.

CentralNic has notched up six upgrades to market forecasts since the start of 2021. It delivered a strong financial performance in 2021, with revenue of \$410.5 million, a 71% increase on the previous

year, gross profits increased by 58% to \$118.5 million and EBITDA (earnings before interest, tax, depreciation and amortisation) was up by 57% to \$46.3 million.

The company's most recent market update, released in July 2022, showed further growth acceleration in the first six months of the year with revenue up 92% to c.\$335 million and adjusted EBITDA up 85% c.\$38 million, compared to the same period in 2021. Year-on-year organic growth for the trailing twelve months has risen to a record 62%.

The highlight of CentralNic's growth is that 99% of its earnings are recurring or utility-style rolling contract

Shares Spotlight CentralNic

revenues, and CentralNic's cash conversion has remained at over 100% since it listed on the market in 2013.

ONLINE MARKETING...WITH A DIFFERENCE

This extraordinary growth is being driven by CentralNic's online marketing division, which has quickly overtaken the company's traditional domain name sales business as its largest source of revenues.

The core reason for CentralNic's success is that, unlike most online marketing businesses, its technology helps companies acquire customers on the internet without using third party cookies or capturing personal data, making it, in the words of CEO Ben Crawford, 'a new, better kind of tech company'.

Instead of traditional, invasive methods of marketing, CentralNic uses anonymous web traffic data, using Artificial Intelligence to analyse these datasets to identify the best websites on which to place advertisements and to optimise its own websites to obtain the most relevant customers for an



“ CentralNic’s meteoric rise in organic revenue growth to 62% yoy proves the desirability of our privacy safe online marketing solutions. Despite this, we have currently penetrated less than 0.5% of the total addressable market. Our longer-term ambition is to be a \$10bn revenue business which, with current organic growth, complemented by our ongoing successful M&A strategy, is eminently achievable. ”

Ben Crawford, CEO of CentralNic

advertiser client at the most affordable price.

Known as contextual advertising, this is becoming ever more sought after by advertisers as restrictions grow on the collection and sale of personal data online and individuals become increasingly privacy conscious.

STRATEGIC ACQUISITIONS

CentralNic's record organic growth has been achieved without the company stepping back from its core strategy of making earnings accretive acquisitions of high cash conversion, recurring revenue businesses that have annuity revenue streams and exposure to growth markets.

CentralNic made four acquisitions in 2021 and has already made a further three in 2022, all of which have added scale and capabilities. This includes the leading product comparison website business VGL, the Company's largest acquisition to date, which was funded by an oversubscribed equity placing and tap bond issue.

SUSTAINABLE MARKET OPPORTUNITY

CentralNic has continued to deliver sustainable growth

thanks to its privacy safe solutions and the enormous scale of the market opportunities it is addressing.

Global advertising platforms including Google and Amazon have increased their spend on acquiring customers from third-party providers like CentralNic each year, with the combined total spend of these two companies at well over \$100 billion in 2022.

As CentralNic's share of this market is under c.0.4% so far, the scope for continued growth over the next few years is immense.

CentralNic's ambition is to continue its high double digit growth rate to become the preferred provider of web presence services in its core markets. Its constant influx of new customers, new services and new acquisitions will, the director's believe, guarantee growth at that rate for many years to come.

CentralNic

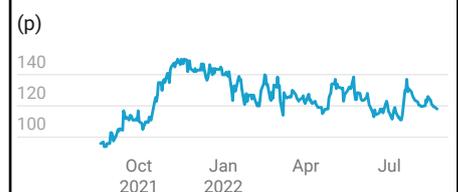


Chart: Shares magazine • Source: Refinitiv