Creating meaningful and successful **connections.**

Team Internet Group Plc

Annual report 2023

Photographer
Layton Thompson

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FT FINANCIAL TIMES statista 1000 EUROPE'S FASTEST GROWING COMPANIES 2022 & 2023

Purpose, mission, strategy and values.

Purpose:

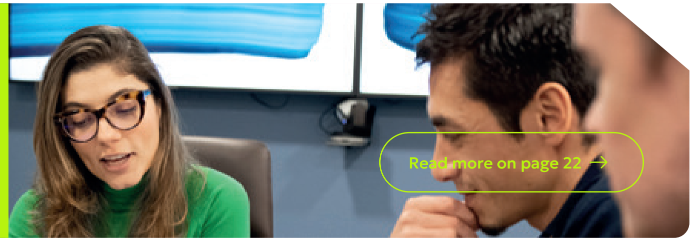
To create meaningful and successful connections.

Mission:

By leveraging our people, businesses and technologies, we aim to drive information, deliver value and create growth for all.

Strategic priorities:

1. Organic growth
2. Operating leverage
3. Competitive cost of capital
4. Focused bolt-on M&A



Read more on page 22

Underpinned by our values:

- We act like owners.
- We have the courage to do the right thing, even if it's hard.
- We work smart to build things we are proud of.
- And by working together, we win together.

Read more in our people section on pages 45 to 56

Creating value for stakeholders:

- Customers
- Investors
- Colleagues
- Partners
- Regulators and governments
- Communities

Our highlights.

Organic growth and operating leverage, augmented by focused bolt-on M&A.

Financial highlights

2023 highlights

- On 4 September 2023, to support our next phase of continued growth, the Group announced its rebranding from CentralNic Group to Team Internet Group, and effective that same day, the Group's shares commenced trading under the ticker 'TIG'.
- The Financial Times listed Team Internet among the top 250 fastest-growing companies and among the top 50 fastest-growing technology companies in Europe.
- Acquisition of Adrenalads LLC, a business which has a rich history with Zeropark, on 31 August 2023 for an initial consideration of USD 2.1 million; the acquisition included deferred consideration of USD 0.2 million payable in February 2025.
- The Group adjusted its global office footprint to post-pandemic working realities, notably reducing cash outflow, lease liabilities and emissions.
- Appointment of Marie Holive as Non-Executive Director and Chair of the Audit & Risk Committee on 24 April 2023.

Share buyback

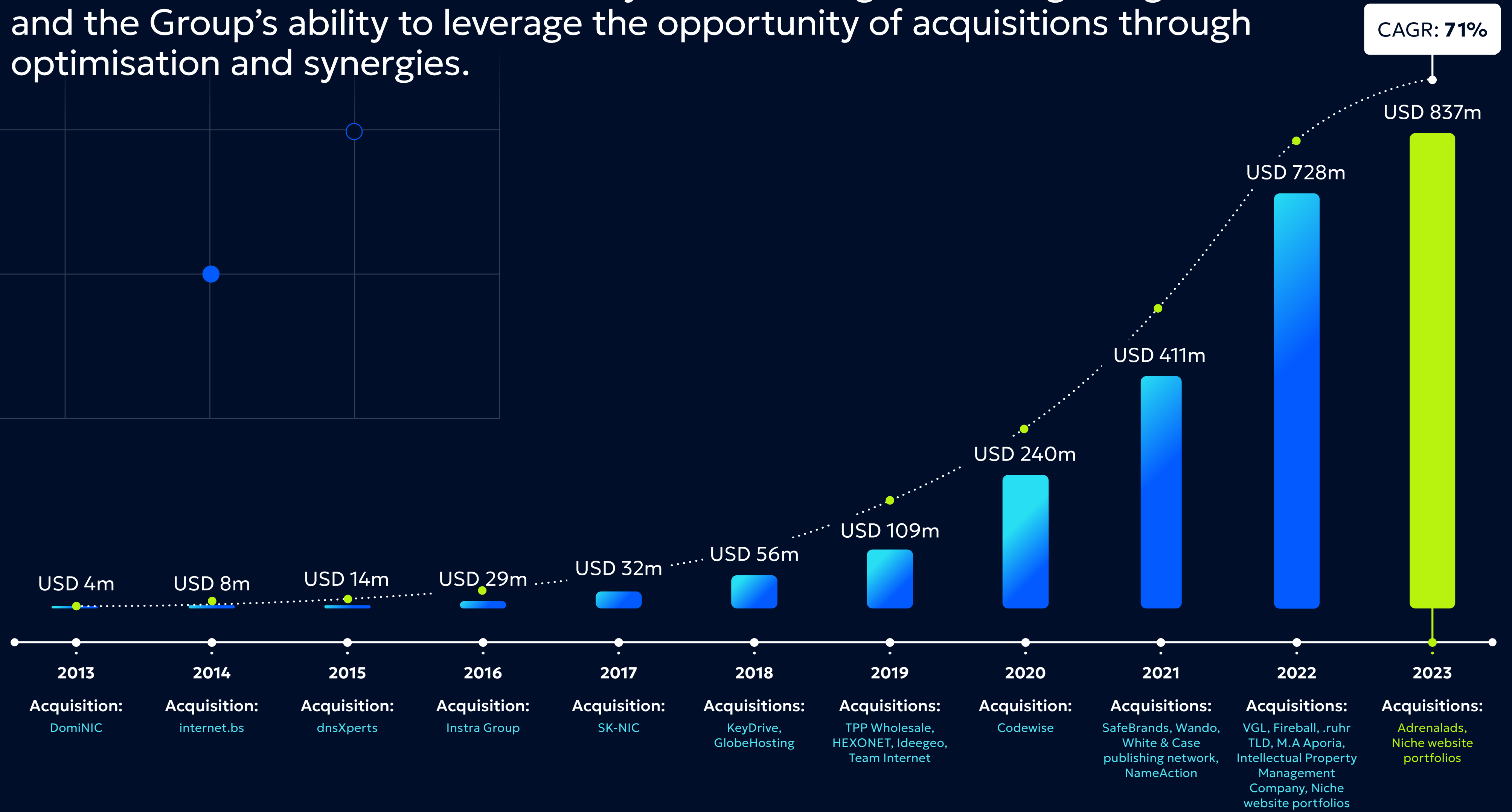
The Group successfully completed its first share buyback programme of GBP 4.0 million worth of ordinary shares in January 2023, and a second share buyback programme commenced in May 2023 and was increased to GBP 34.0 million worth of ordinary shares in July 2023. By 31 December 2023, the Group had repurchased a total of GBP 28.4 million (USD 35.6 million) worth of ordinary shares across the two programmes, with GBP 9.6 million (USD 12.2 million) remaining of the share buyback scheme at 31 December 2023.

Dividend

On 16 June 2023, the Group paid its inaugural final dividend of 1.0 pence per share totalling USD 3.6 million, reflecting a renewed capital allocation geared towards greater return to Shareholders.

Journey so far.

Team Internet has achieved a revenue Compound Annual Growth Rate (CAGR) of 71% since its IPO in 2013, driven by a blend of significant organic growth and the Group's ability to leverage the opportunity of acquisitions through optimisation and synergies.



What we do.

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

Online Marketing

Recurring revenue model
Rolling open-ended revenue share contracts

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.

14%
Gross revenue growth

Gross revenue
USD 657.1 million
2022: USD 574.7 million

Visitor sessions
5.9 billion
2022: 4.6 billion

Net revenue/gross profit
USD 131.7 million
2022: USD 125.1 million

Revenue per thousand sessions (RPM)
USD 95
2022: USD 105

Team Internet's brands

Online Presence

Recurring revenue model
Annual subscriptions

A critical constituent of the global online presence and productivity tool ecosystem, where we serve as the primary distribution channel for a wide range of digital products.

17%
Gross revenue growth

Gross revenue
179.8 million
2022: USD 153.5 million

Processed domain registration years
13.8 million
2022: 13.2 million

Net revenue/gross profit
USD 59.4 million
2022: USD 52.6 million

Average revenue per domain year
USD 11.3
2022: USD 10.0

Team Internet's brands

What we do. continued

Online Marketing case study:

In Online Marketing, Team Internet helps online consumers make informed choices – an evergreen purpose.

Gross revenue
USD 657.1 million +14%
2022: USD 574.7 million

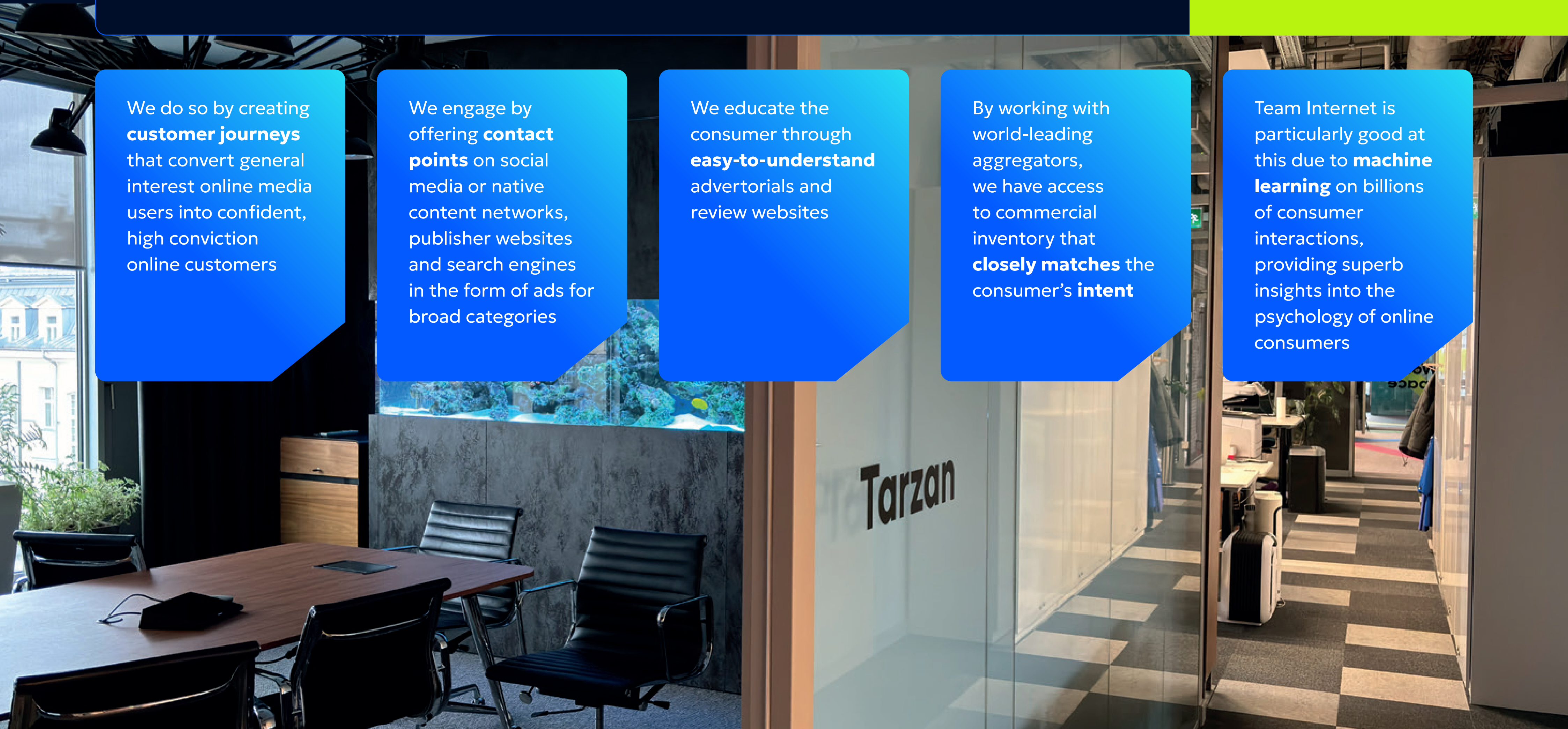
We do so by creating **customer journeys** that convert general interest online media users into confident, high conviction online customers

We engage by offering **contact points** on social media or native content networks, publisher websites and search engines in the form of ads for broad categories

We educate the consumer through **easy-to-understand** advertorials and review websites

By working with world-leading aggregators, we have access to commercial inventory that **closely matches** the consumer's **intent**

Team Internet is particularly good at this due to **machine learning** on billions of consumer interactions, providing superb insights into the psychology of online consumers



What we do. continued

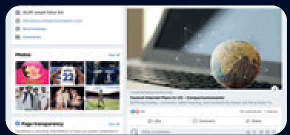
Online Marketing case study: continued

Net revenue
USD 131.7 million +5%
2022: USD 125.1 million

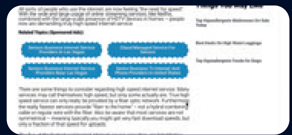
What does it look like in real life?

Consumers on social media are run through brief consumer guides before being referred to a recommended merchant.

Social media user experience

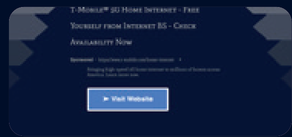


1 Team Internet places ads for broad categories on social media, in this example, on Facebook[(1)]. If an online consumer is interested in the category, they click on the ad.

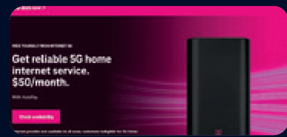


2 An online consumer is then forwarded an advertorial website where the online consumer learns what it needs and clicks on a link for a more specific category.

3 The online consumer is then presented with related search terms to further close in on their intent.



4 The online consumer is then shown the ad most relevant to their intent. Once the consumer clicks, Team Internet is paid.

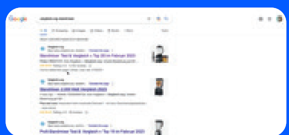


5 The online consumer then arrives on the offering of the most relevant vendor, in this instance T-Mobile[(2)].

Search engine users are directed to review websites before buying the product of their choice at an e-commerce partner.

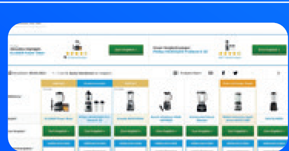
Search engine user experience

1



Team Internet places ads for product categories on search engines. Due to a vast inventory of high-quality product review content, Team Internet would also appear high in the search ranking.

2



The online consumer is then presented a choice of relevant products where we identify the best, the most affordable, the best price-quality and best seller products – consumers are typically happy to adopt one of the four strategies.

3

The online consumer then clicks out to the merchant with the offer that comes closest to their intent or need. When the consumer checks out of the e-commerce partner's site, Team Internet is paid.

Online consumers value the noise reduction and privacy – value is captured through commercial alliances.

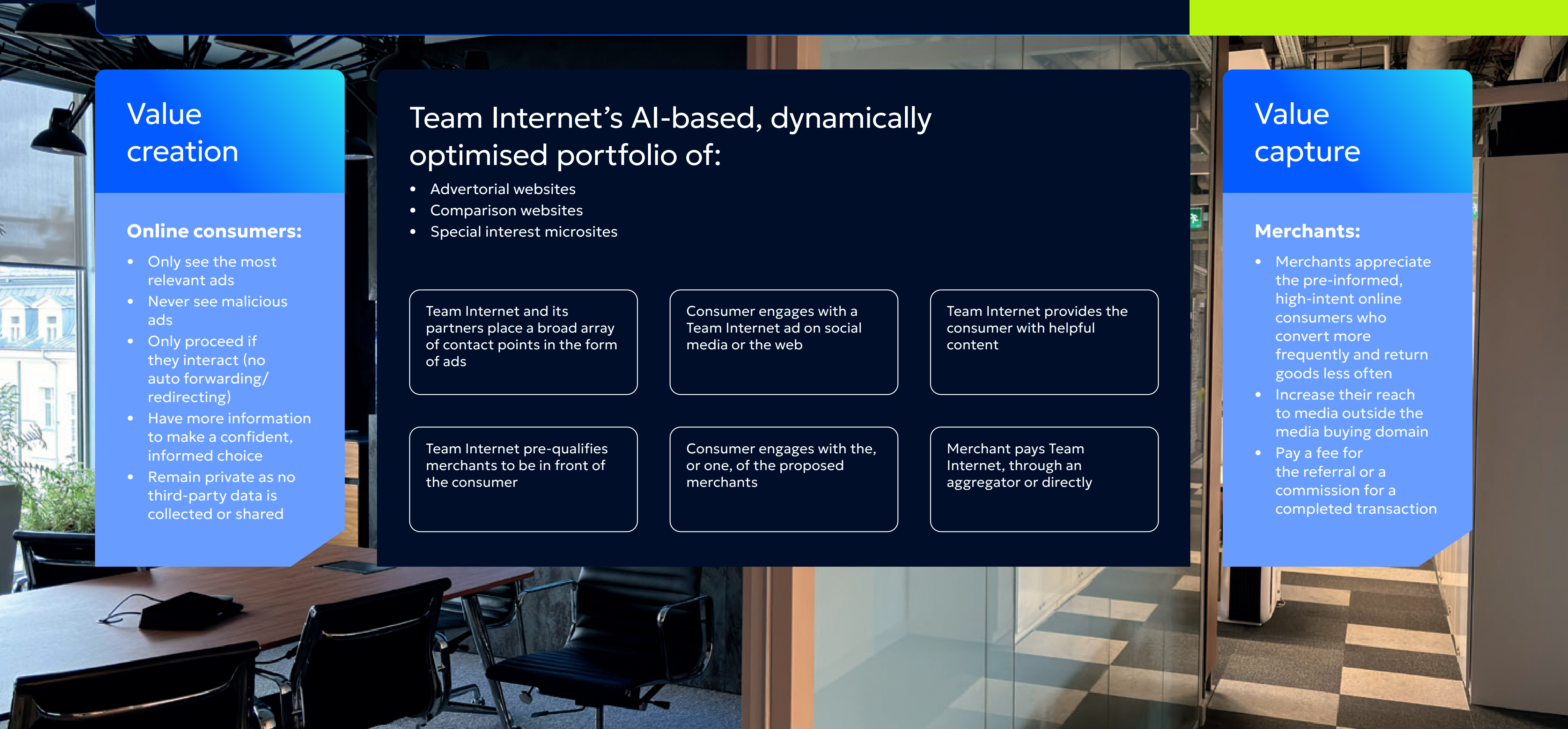
(1) Facebook is an example of a partner. They provide traffic, and Team Internet pays for it.
(2) T-Mobile is an example of a customer. Team Internet refers a customer and gets paid for it.

What we do. continued

Online Marketing case study:

In Online Marketing, Team Internet helps online consumers make informed choices – an evergreen purpose. continued

No. of visitor sessions
USD 5.9 billion +28%
2022: USD 4.6 billion



Value creation

Online consumers:

- Only see the most relevant ads
- Never see malicious ads
- Only proceed if they interact (no auto forwarding/redirecting)
- Have more information to make a confident, informed choice
- Remain private as no third-party data is collected or shared

Team Internet's AI-based, dynamically optimised portfolio of:

- Advertorial websites
- Comparison websites
- Special interest microsites

Team Internet and its partners place a broad array of contact points in the form of ads	Consumer engages with a Team Internet ad on social media or the web	Team Internet provides the consumer with helpful content
Team Internet pre-qualifies merchants to be in front of the consumer	Consumer engages with the, or one, of the proposed merchants	Merchant pays Team Internet, through an aggregator or directly

Value capture

Merchants:

- Merchants appreciate the pre-informed, high-intent online consumers who convert more frequently and return goods less often
- Increase their reach to media outside the media buying domain
- Pay a fee for the referral or a commission for a completed transaction

Market opportunity.

The **Online Marketing** segment is taking advantage of three megatrends.

The ascendance of social media

Over the past two decades, social media has revolutionised the paradigms of content creation and consumption. Platforms such as Facebook, Instagram and TikTok have led this transformative journey, ushering in the era of User-Generated Content (UGC), the Web 2.0.

This pivotal shift, acknowledged by Time Magazine through its recognition of online users as 'Person of the Year 2006', underscores the increasing preference for content that resonates on a more personal and relatable level, challenging traditional Web 1.0 media landscapes and search engines it has spawned.

The data privacy shift

In a world of heightened data privacy regulations, search engines hold a distinct advantage over social media platforms. Users' direct expression of intent through search queries reduces the need for extensive tracking, aligning with privacy laws and minimising privacy concerns.

Consequently, despite the continued growth in social media usage, advertisers are willing to bid higher click prices for search engine ads due to their efficiency in targeting and proximity to conversion, leading to a divergence in advertising yields.

Our TONIC. platform aims to capitalise on this trend by bridging the gap between intent-driven search ads and the expansive audience on social media.

Risk transformation opportunity

The online advertising landscape is steadily evolving towards a model where publishers bear more risk, transitioning from Pay Per Mille (PPM) to Pay Per Click (PPC), and now to Pay Per Action (PPA), where advertisers pay only for specific outcomes. This decade-spanning shift benefits those who can effectively manage conversion. Investments in companies like VGL Publishing and Adrenalads position us to thrive in this new paradigm.

An alternative innovative approach involves engaging users with content that encourages endless scrolling, generating revenue through continuous ad impressions, an area that we are eager to explore. Lastly, there is also an opportunity to balance mismatches in supply and demand between search engines.

Market opportunity. continued

The **Online Presence** segment aims to optimise the domain name industry for greater efficiency.

Optimising for efficiency

Team Internet's influence enhances a digital landscape which would otherwise be less accessible: approximately 4,000 ICANN accredited registrars and 1,500 top-level domains engaging in direct and cumbersome transactions. This would entail an overwhelming proliferation of contracts, technical integrations and monthly invoicing processes, cumulatively numbering in the millions.

Our Online Presence segment plays an instrumental role in transforming this complex web into a streamlined and efficient ecosystem. Through our innovative solutions, we significantly reduce operational burdens, thereby elevating the industry's competitiveness and sustainability.

Team Internet stands at the forefront of the global online presence and productivity tool ecosystem, serving as a linchpin for businesses and organisations seeking to navigate the digital domain with ease and efficiency.

Move towards 'exotic' domain names

With the .com domain nearing full capacity, where virtually all meaningful combinations of letters and numbers have been registered, Verisign, the entity behind .com, is navigating this saturation by implementing price increases. This strategy for revenue growth, driven by the scarcity of attractive .com domain names and their escalating costs, is gradually shifting consumer interest towards alternative avenues, specifically country code top-level domains (ccTLDs) and newly introduced TLDs (nTLDs). These segments, which fall squarely within our realm of expertise, are witnessing an uptick in demand as market dynamics evolve. In this context, the advent of artificial intelligence (AI) stands to significantly influence the landscape. AI's potential to pinpoint premium domain names across these 'exotic' TLDs could redefine valuation standards and uncover untapped opportunities. Furthermore, the proliferation of AI-driven content farms is expected to catalyse a surge in domain creation activities. This trend not only underscores the evolving nature of digital real estate, but also highlights our strategic position to capitalise on these shifts. Our proficiency in navigating the intricacies of country code and new TLDs positions us to leverage these developments, ensuring we remain at the forefront of innovation and growth in the domain industry.

Committed to excellence

Trustpilot
Team Internet
4.6/5

Team Internet is committed to customer service excellence in all of its businesses, and this is particularly evident in our Online Presence segment where we consistently significantly outperform the targets established in our customer service level agreements (SLA), as well as significantly outperforming against internal KPI benchmarks. On resolution of customer tickets, we are considerably ahead of our target four hour completion time and consistently, and considerably, in excess of our target 80% 'Happy' customer satisfaction score. Where we commit to resolving queries via chat functionality, we aim for a maximum of one minute of wait time, a maximum of 20 minutes of chat time, and a 90% 'Happy' customer satisfaction score. Again, we consistently meet and significantly outperform these SLAs, in particular resolving chat queries well under the maximum target of 20 minutes. Finally, we are proud to have a Trustpilot rating of 4.6/5, a testament to the quality of customer service that our teams are committed to delivering.

Market opportunity. continued

Team Internet's diverse revenue streams.

Online Marketing

Search:
We address a wide range of industries whose constituents advertise on search engines. The most significant sectors include Health (23%), Jobs & Education (14%), Home & Garden (10%), Finance (8%) and Autos & Vehicles (7%). Each industry consists of various verticals, further composed of numerous distinct advertisers.

E-commerce:
We earn commission from transactions made by customers referred to e-commerce partners. The opportunity continues to expand by incorporating new product reviews and expanding into new verticals. Since currently only the German and French-speaking markets are addressed, this revenue stream has tremendous potential for growth by internationalisation.

Affiliates:
Team Internet's performance marketing and advertising technology platform is utilised by over 2,000 affiliate advertisers.

Analytics SaaS:
Our privacy-enabled marketing solution aligns seamlessly with market demand. Team Internet's SaaS analytics platform boasts 4,000 active users leverage its automation capabilities to track and optimise multiple ad campaigns to improve conversion.

Online Presence

Resellers:
Premier domain marketplace connecting more than 1,500 top-level domains (TLDs) to around 22,000 resellers, among global leaders such as GoDaddy, Newfold Digital and many others.

Small and medium-sized business:
c.230,000 direct SMB customers addressed through 13 brands specialised on specific geographies or customer personas.

Corporates:
Trusted guardians of the domain portfolio brands of hundreds of internationally recognised brands, such as Johnson & Johnson, Mercedes-Benz and Rolex.

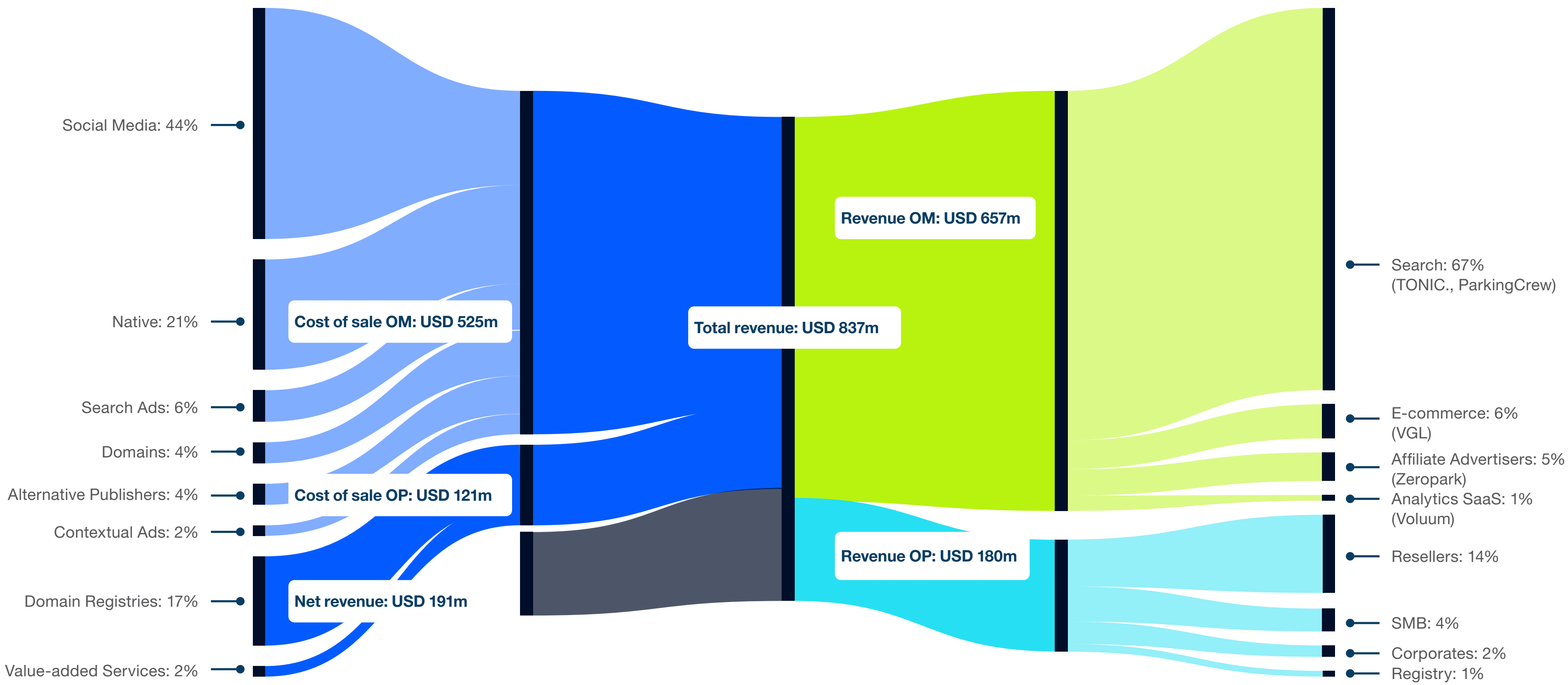
Registry:
Leading outsourcing provider for new top-level domains (nTLDs), managing over 15.5 million domain names under 104 nTLDs.

Team Internet does business with the most respected companies in its industries, both on the demand and supply side, resulting in an incredibly resilient business model.

Market opportunity. continued

Across its two segments, Team Internet creates a vibrant, symbiotic ecosystem, connecting a vast supply with substantial demand.

FY23 value flows, Sankey presentation



Chairman's statement.

Iain McDonald
Chairman

> Achieving milestones, embracing change: a year of strategic success.

The year 2023 marked a significant milestone for Team Internet Group Plc. I am delighted to report that our executive team has successfully achieved the goals and objectives we established in December 2022. Reflecting on our commitments:

Our focus to running the business in 2023 was framed around the new capital allocation policy which we articulated in the CEO's report of our 2022 annual report. This approach endorsed a structured cash flow allocation strategy, with a more even weighting between Shareholder returns/debt reduction on the one hand, and M&A on the other (in contrast to an almost exclusive focus on M&A in the past).

In alignment with this strategic shift, the Company inaugurated a progressive dividend policy, commencing with a disbursement of 1.0 pence per share in June 2023. Additionally, we initiated a GBP 4 million share buyback programme in January 2023, and subsequently launched a more substantial GBP 34 million share buyback programme in May 2023, with the aim to use the full authority granted by the Annual General Meeting (AGM) in April 2023. This programme is nearing its completion as of this report.

In October 2023, we augmented our distributable reserves, thereby facilitating further distributions in 2024.

The Company had a strategic reduction in M&A activities in 2023, finalising one acquisition, compared to six in the preceding year.

A pivotal moment in 2023 was the rebranding to Team Internet Group Plc, more accurately reflecting the balance of the Company, our business ethos and embracing the diversity of our stakeholders. This rebranding was celebrated with a market opening ceremony, marking a decade since our initial public offering, and a Capital Markets Day (CMD), the first in more than three years. Given the success of the CMD, we anticipate greater frequency of these in future.

As Chairman, ensuring the Company's effective governance remains a foremost responsibility. Towards this end, we have enhanced our governance structure by increasing the ratio of Non-Executive Directors (NEDs) to Executive Directors from 2:1 to 3:1.

With Marie Holive succeeding Thomas Rickert, the proportion of independent NEDs to non-independent NEDs has improved to 1:1 from 1:2. Furthermore, we have broadened the scope of the Audit Committee to encompass Audit and Risk and amended its composition to be fully independent. We will continue to review Board and Committee composition with a view to adopting 'best practices' where we feel this is in the best interests of Shareholders.

The year concluded with the Company achieving record revenue and profit. I extend my heartfelt appreciation to our management team and all employees for their unwavering commitment and exemplary performance in 2023, on behalf of the entire Board. Looking ahead, with robust free cash flows and substantial liquidity reserves, Team Internet Group Plc is excellently positioned to live up to its capital allocation strategy that supports Shareholder distributions, debt reduction and strategic M&A activities as deemed appropriate.

Iain McDonald
Chairman
15 March 2024

Investment case.

Why is now a good time to invest in Team Internet?

1 Growth

We demonstrated strong organic growth, with gross revenue increasing by approximately 15% in FY2023. Our Online Marketing business is strategically positioned to capitalise on firmly established industry megatrends.

2 Value

Our consistent high cash conversion, hovering around 100%, underscores our financial stability. We have initiated paying a progressive dividend and engaged in an expansive share buyback programme, showcasing our commitment to returning value to Shareholders.

3 Timing

Our transformation from a domain-centric business to a leader in online marketing was accompanied by a recomposition of our Shareholder register. We now approach the end of this process and investor feedback has been overwhelmingly positive regarding this business transformation.

Photographer
Anna Rauchenberger

Chief Executive Officer's report.

Michael Riedl
Chief Executive Officer

Forging ahead: innovation, growth and sustainability at Team Internet Group.

I am delighted to present my second CEO's report since assuming this role, marking yet another year of unprecedented achievements for Team Internet Group Plc. This year has been a milestone for us with our revenues growing by 15% to USD 837 million, and our adjusted EBITDA increasing by 12% to USD 96 million. We have also seen a significant breakthrough in bottom-line profitability, delivering a profit after tax of USD 24.3 million, a notable improvement from the USD 2.1 million loss after tax in 2022. This is a testament to our robust performance and strategic acumen, further highlighted by our adjusted EPS rising to 23.22 cents. These accomplishments reflect our discipline in cost management, both above and below EBITDA.

As we embark on this comprehensive exploration of our past year's journey and future outlook, we present a structured overview of our achievements, strategic initiatives and the vision that propels us forward. The sections of this report are meticulously arranged to guide you through our multifaceted strategy and execution:

- Strategic communication: Our approach to enhancing transparency and engagement with our stakeholders.
- Online Marketing: A review of our marketing strategies, performance metrics and strategic partnerships.
- Growth trajectory and megatrends: How we're navigating key industry trends and positioning ourselves for future success.
- Online Presence: Our efforts to streamline and innovate within the online presence domain.
- Innovations and initiatives: An overview of our cutting-edge AI projects, advancements and strategic investments.
- Sustainability and responsibility: Our commitment to environmental stewardship, social responsibility and governance excellence.
- Rebranding for the future: The rationale and impact behind our transition to Team Internet Group.
- Leadership redesign: The evolution of our leadership structure to align with our strategic ambitions.
- Outlook and future directions: Our perspective on upcoming challenges and opportunities.

This report not only reflects on our accomplishments, but also outlines our strategic blueprint for continued innovation and growth. Let us delve into these sections to fully appreciate the scope of our efforts and the direction we are headed.

Chief Executive Officer's report. continued

Strategic communication

Addressing our communication strategy first, it has been historically noted in analyst observations that while our results were commendable, the essence of our operations remained ambiguous. This critique was taken to heart, prompting a transformative overhaul in how we engage with our investors.

By providing an intricate view into the workings of our AI-driven, privacy-conscious consumer journeys – elaborated through detailed steps, illustrative screenshots and supported by key performance indicators – we have clarified the nature of our business operations. This year, the narrative has shifted. Analysts now commend not only our results, but also express a newfound understanding of our operational mechanisms, refocusing inquiries towards our long-term vision. This marks the commencement of a new chapter in our investor relations, one we are eager to explore over the forthcoming year.

Online Marketing: A strategic overview

The efficacy of our Online Marketing executing is quantifiable, with a marked increase in consumer engagement in customer journeys, rising from 4.6 billion in 2022 to 5.9 billion in 2023. While the value capture per thousand declined from USD 105 in 2022 to USD 95 in 2023, this is owed to the macroeconomic environment and the weakness in click prices across the market. It is important that our capacity to generate value only requires a spread between the ad bids on the demand and the supply side, allowing us to systematically earn money through all phases of the economic cycle.

We are privileged to acknowledge our symbiotic partnership with the leading search engine operator as an invaluable asset, underpinned by the enduring AdSense For Domains (AFD) programme. This initiative, serving as the cornerstone of our TONIC. platform, having been in existence for approximately 18 years, epitomises the programme's durability. Despite our subsidiary entering this business in the relatively recent year of 2010, Team Internet Group has unequivocally established itself as the pre-eminent leader within a well-defined oligopoly, demonstrating our unparalleled expertise and leadership in this space.

Team Internet's growth trajectory is bolstered by our adept navigation of three irreversible megatrends, each shaping the future of online marketing:

- **The ascendance of social media:** Over the past two decades, social media has revolutionised the paradigms of content creation and consumption. Platforms such as Facebook, Instagram and TikTok have led this transformative journey, ushering in the era of User-Generated Content (UGC), the Web 2.0. This pivotal shift, acknowledged by Time Magazine through its recognition of online users as 'Person of the Year', underscores the increasing preference for content that resonates on a more personal and relatable level, challenging traditional Web 1.0 media landscapes and search engines it has spawned.
- **The data privacy shift:** In a world of heightened data privacy regulations, search engines hold a distinct advantage over social media platforms. Users' direct expression of intent through search queries reduces the need for extensive tracking, aligning with privacy laws and minimising privacy concerns. Consequently, despite the continued growth in social media usage, advertisers are willing to bid higher click prices for search engine ads due to their efficiency in targeting and proximity to conversion, leading to a divergence in advertising yields. Our TONIC. platform aims to capitalise on this trend by bridging the gap between intent-driven search ads and the expansive audience on social media.
- **Risk transformation opportunity:** The online advertising landscape is steadily evolving towards a model where publishers bear more risk, transitioning from Pay Per Mille (PPM) to Pay Per Click (PPC), and now to Pay Per Action (PPA), where advertisers pay only for specific outcomes. This decade-spanning shift benefits those who can effectively manage conversion. Investments in companies such as VGL Publishing and Adrenalads position us to thrive in this new paradigm. An alternative innovative approach involves engaging users with content that encourages endless scrolling, generating revenue through continuous ad impressions, an area that we are eager to explore. Last, there is also an opportunity to balance mismatches in supply and demand between search engines.

Photographer
Anna Rauchenberger

Chief Executive Officer's report. continued

Online Marketing: A strategic overview continued

The ultimate vision to exploit these three global and evergreen megatrends is building an Omni-media Omni-monetisation Platform (OM^2P) that will enable us to connect visitors from any kind of digital media with the most effective monetisation channel. Team Internet is maintaining its strategic course towards this long-term vision, unaffected by transient challenges, underscored by several key initiatives:

- **Seamless engagement:** Our 'Pagehub' initiative aims at designing a shorter conversion process, integrating the ads more seamlessly into the content we serve. This initiative is using the confluence of deep learning and generative AI capabilities. A new set of agreements with our core search engine partner will allow us to source ads for this enhanced environment and consumer journey experience from an even wider set of its advertising partners. The aspiration is to build the foundation for a new wave of growth based on further enhanced consumer and advertiser satisfaction.
- **Search-to-search:** In 2023, we announced an agreement with Microsoft Bing. This agreement focuses on leveraging Bing's platform to monetise traffic from alternative search engines, a traffic source that is challenging to monetise with our current workflow. Much like our primary search engine partnership, successfully capitalising on this opportunity demands substantial expertise in machine learning and scalable software engineering. We have now gained the necessary insights into the complexities of integrating this secondary search engine feed. With this understanding, we are poised to make substantial investments in scaling it to an industrial level. We anticipate that this endeavour will yield meaningful revenue contributions by the end of the year.
- **Open Web capabilities:** Although social media platforms currently serve as our main source of traffic, the Open Web presents a parallel avenue ripe with opportunities, especially concerning general interest websites such as news, weather or sports. Presently, we are tapping into this potential through native networks. In 2024, our Adsolutely product is set to undergo a beta phase aimed at offering content publishers an alternative means of monetising their audience. Leveraging our search engine-based and subsequently e-commerce-based monetisation technologies, we aspire to empower publishers with enhanced revenue streams and foster mutually beneficial partnerships.
- **Adherence to industry policies:** Our unwavering commitment to 'White Knight' ethics, demonstrated through our adherence to publisher and advertiser policies, reflects our dedication to fostering a sustainable digital advertising ecosystem. This principled approach, even in the face of potential short-term constraints, is foundational to our strategy, ensuring long-term viability and success.
- **Supply side challenges:** The rapid expansion of social media networks globally has brought about operational complexities, such as occasional service disruptions, localised policy changes, and strategic shifts such as the recent cessation of the Universal Music licensing deal with ByteDance (TikTok). In response to these evolving dynamics, we are proactively diversifying our network of integrated publishers and remaining agile to ensure our continued resilience and performance stability.

All these initiatives feed into the strategic priorities postulated at the Capital Markets Day on 4 September 2023, making our revenue streams more diversified, more vertically integrated and more sustainable.

Enhancing the digital ecosystem: The Online Presence segment

In envisaging a digital landscape devoid of Team Internet's influence, one confronts a daunting scenario: approximately 4,000 ICANN accredited registrars and 1,500 top-level domains engaging in direct and cumbersome transactions. This would entail an overwhelming proliferation of contracts, technical integrations and monthly invoicing processes, cumulatively numbering in the millions. Our Online Presence segment plays an instrumental role in transforming this complex web into a streamlined and efficient ecosystem. Through our innovative solutions, we significantly reduce operational burdens, thereby elevating the industry's competitiveness and sustainability. Team Internet stands at the forefront of the global Online Presence and productivity tool ecosystem, serving as a linchpin for businesses and organisations seeking to navigate the digital domain with ease and efficiency.

At the heart of our Online Presence segment lies our domain name offering, a critical component for entities of all magnitudes to carve out their digital identity. Team Internet distinguishes itself within this competitive landscape through the provision of an unparalleled selection of domain extensions. This, combined with our fully automated Application Programming Interfaces (APIs) and comprehensive fulfilment services, ensures that our customers can seamlessly procure and manage their domain names. This level of service and functionality underscores our commitment to simplifying the complexities of digital identity management, setting a new standard for excellence within the industry.

Our segment caters to a broad spectrum of clients, from web hosting companies and globally recognised brands, to small and medium-sized businesses (SMBs), all of whom benefit from the integrated solutions we offer. This one-stop-shop experience empowers our clientele to address their entire spectrum of domain name requirements within a singular, user-friendly platform. This consolidation significantly enhances the efficiency of managing online presences, a testament to our understanding of, and responsiveness to, the needs of the digital marketplace. Furthermore, our extensive distribution network provides unmatched reach and visibility for country code and generic domain operators, embodying a seamless conduit through which customers can secure the domain names vital for their online ventures.

The Online Presence market is characterised by its high customer loyalty, with less than 3% of customers transitioning to alternative providers annually. This statistic speaks volumes about the trust and satisfaction our clients place in our services. Team Internet's strategic approach is centred on the integration and optimisation of a globally diversified portfolio of businesses. Our objective is to forge a unified marketplace that not only fosters organic growth, but also continuously diversifies our supplier base, distribution channels and customer pool.

Chief Executive Officer's report. continued

Enhancing the digital ecosystem: The Online Presence segment continued

Our ambition extends beyond the mere provision of services; we endeavour to create a cohesive and integrated marketplace that caters to the evolving needs of the digital economy. By continually expanding our network of suppliers, distribution channels and customers, we are setting the stage for sustained organic growth. This vision for a unified marketplace is a reflection of our commitment to innovation, customer satisfaction and industry leadership. As a first major step towards this vision, we are launching project UNITY, which aims at reducing our infrastructure to focus on one single platform and brand for each key use case: Reseller, Retail, Brand and Registry.

Unveiling a new corporate identity

The transition of our corporate identity marks a pivotal chapter in our history. Initially publicised in 2013 under the moniker CentralNic, a designation rooted in the foundational elements of our business – the Network Information Center, emblematic of domain registry operations – this nomenclature captured a mere fraction of the vast array of activities that presently delineate the essence of our Group. With such operations contributing to approximately 3% of our net revenue, it became increasingly clear that a transformation was imperative to reflect the breadth and dynamism of our enterprise more accurately. Hence, on 4 September 2023, a strategic rebranding initiative culminated in the unveiling of Team Internet Group, a name that signifies a new era of integration, innovation and expansive vision.

The essence of 'Team', as conceptualised by the Kellogg School of Management, is a collective of individuals, encompassing both human and technological entities, united by a shared dependency on information, resources, knowledge and skills. This collective endeavours harmoniously towards achieving a singular, overarching goal. 'Team' thus encapsulates the core of our ethos – our people, our technologies and our businesses – each component integral to our operational synergy and collective success.

'Internet', as defined by the Oxford English Dictionary, represents the vast, interconnected network that facilitates a plethora of information and communication services across the globe. It embodies the domain of our customers and our partners, highlighting the expansive and interconnected nature of our operations and aspirations.

At the heart of Team Internet Group lies a steadfast purpose: to forge meaningful and successful connections that bridge our customers with our partners. Our vision, both straightforward yet powerful, is to create meaningful and successful connections: businesses to domains, brands to consumers, publishers to advertisers and beyond, enabling everyone to realise their digital ambitions. Our mission is to leverage our people, businesses and technologies; we aim to drive information, deliver value and create growth for all.

The commemoration of our rebranding was strategically aligned with the tenth anniversary of our initial public offering (IPO), a momentous occasion that was fittingly observed at the London Stock Exchange. This event not only marked a significant milestone in our corporate journey, but also provided a platform to herald the dawn of a new chapter for Team Internet Group. Alongside the market opening ceremony, a Capital Markets Day was convened, further underscoring our commitment to transparency, communication and leadership. This gathering also served as an opportunity to introduce the esteemed leaders spearheading our new divisional leadership structure, each embodying the principles and aspirations that Team Internet Group stands for.

In summary, the rebranding to Team Internet Group is not merely a change of name, but a profound reaffirmation of our evolving identity, purpose and commitment to the digital ecosystem. It represents a strategic pivot towards a future defined by meaningful connections, innovative solutions and collaborative success, firmly positioning us at the forefront of the digital age.

Refining leadership for strategic excellence

As mentioned at the outset, designing the leadership is one of the most formidable missions of a CEO. At the core of our strategic vision lies the commitment to fostering a leadership framework that not only aligns with our goals, but propels us towards achieving them.

Recognising the importance of agile and responsive leadership, we have embarked on a significant transformation from a functional organisation to a more dynamic divisional organisation. This new structure integrates the Group functions and is delineated into four distinct divisions: Search, Comparison, Commerce Media Tech and Online. The first three divisions form the cornerstone of our Online Marketing segment, while the Online Presence segment is encapsulated within the Online division. This reorganisation ensures a coherent alignment of our business units with our strategic objectives, facilitating enhanced focus and efficiency.

Central to our leadership ethos is the harmonisation of efforts between the Group functions and the individual divisions. By providing robust support structures and facilitating co-ordination where necessary, we ensure that our divisions are not only self-sufficient, but also benefit from the collective expertise and resources of the Group. This collaborative framework is instrumental in driving our divisions towards achieving their strategic goals, supported by efficient capital allocation and resource management.

In our pursuit of excellence, we employ a rigorous benchmarking process, evaluating each division against the Team Internet Growth Efficiency Ratio (TIGER). Inspired by the 'Rule of 40' – a benchmark commonly used among software industry analysts – our assessment criteria extend to include EBITDA conversion (EBITDA over net revenue) and net revenue growth. Our objective is clear: to elevate every division above the threshold of 40, a marker of exceptional performance and strategic vitality. As we look towards 2024, we are confident in our ability to guide all divisions into this distinguished zone, signifying not only their success, but also the collective triumph of Team Internet Group.

Chief Executive Officer’s report. continued

Refining leadership for strategic excellence continued

Understanding that the realisation of our ambitions hinges on the provision of adequate resources, we are steadfast in our commitment to equipping our teams with the tools and support they require. This encompasses not just financial investments, but also the fostering of an environment that encourages innovation, collaboration and continuous improvement. By doing so, we aim to create a culture of excellence that permeates every level of our organisation, driving us towards our goal of redefining the digital ecosystem.

In essence, our leadership strategy is a reflection of our broader mission: to lead with vision, agility and a relentless focus on excellence. By restructuring our leadership framework, empowering our divisions and committing to a culture of support and collaboration, we are poised to navigate the complexities of the digital age, achieving sustainable growth and success for Team Internet Group and all its stakeholders.

Pioneering AI integration: A strategic imperative

The year 2023 also marked a pivotal moment in the corporate landscape, witnessing a widespread recognition of the transformative potential of Artificial Intelligence (AI). Team Internet has consistently been at the vanguard of this technological revolution, underscored by our proactive initiatives and strategic foresight. Our dedication to staying ahead of the curve was exemplified in July 2021, with the significant appointment of Dr. Pawel Rzeszucinski as our Head of Data & AI, a move that cemented our commitment to leveraging AI for enhancing our operations and offerings, years before other corporates came to the same realisation.

Further advancing our AI strategy, we engaged the expertise of Futurist David Shrier in 2023. His collaboration has been instrumental in conceptualising and developing two cornerstone projects aimed at embedding AI throughout our organisational fabric: the AI Academy and the Innovation Factory.

The AI Academy is designed with a tripartite purpose, each aiming to foster a comprehensive understanding and application of AI across our team:

1. Raising the floor: This initiative is focused on democratising AI knowledge within our organisation, ensuring every member of our staff is equipped with the necessary skills to leverage off-the-shelf AI tools for enhanced productivity. Our commitment is to leave no individual behind in our journey towards digital empowerment.
2. Raising the ceiling: By providing advanced training to our engineers and data scientists, we aim to push the boundaries of what is possible with AI. This involves immersing our technical teams in the latest technologies and methodologies, enabling them to create superior products that exceed our customers’ expectations.
3. Raising awareness: A key component of our AI Academy involves nurturing a culture of critical and creative thinking among our senior leadership. This training is geared towards enabling our leaders to foresee and navigate potential disruptions caused by AI and other emergent technologies, ensuring strategic resilience.

The Innovation Factory represents a strategic investment in our Company’s organic growth, aligned with the second priority of our Cash flow Allocation Waterfall Model (CAWM). This initiative serves as a crucible for innovation, where ideas that extend beyond the immediate scope of our Horizon 1 agile development cycles are identified, assessed and nurtured. It provides a unique platform for rapid prototyping, allowing us to explore and realise innovative concepts that have the potential to redefine industry standards and enhance our competitive edge.

As we continue to integrate AI into the core of our operations and strategies, we are mindful of the importance of sharing our progress and insights with all stakeholders. To this end, we are including a dedicated AI page in our annual report, offering a comprehensive overview of our initiatives achievements, and future directions in harnessing AI to drive growth, efficiency and innovation (see page 24).

This commitment to AI and innovation is not just about maintaining leadership in the digital realm; it’s about shaping the future of our industry and ensuring that Team Internet remains synonymous with excellence, innovation, and foresight. Through the AI Academy and Innovation Factory, we are laying the groundwork for a future where our Company not only adapts to technological advancements, but leads them, creating unparalleled value for our customers, partners and stakeholders.

Embedding sustainability and responsibility: Our ESG commitment

At the heart of Team Internet Group’s ethos lies a steadfast commitment to environmental protection, social responsibility and progressive governance practices. Our dedication to reducing our environmental impact is evident in the significant achievement of my office, which has successfully reduced its carbon footprint, dramatically. This milestone is reflective of our broader strategy to integrate sustainable practices across all facets of our operations, aiming not only to minimise our ecological footprint, but also to set a new standard for environmental stewardship within the digital industry. This entails rightsizing our global office footprint to the post-pandemic working realities. During 2023, we have focused on our European core operating sites, having downsized office space in Krakow, Munich and the Saarland. This year we see a focus on adapting our overseas and ancillary offices to our current needs. Just like a figure skater, by pulling our arms in, we make the flywheel spin faster.

Our commitment extends beyond environmental sustainability to encompass a deep-seated responsibility towards the communities in which we operate. Recognising the profound impact of humanitarian crises and conflicts around the globe, we have actively supported individuals affected by these challenges, including both our staff and wider community members. This support is a testament to our belief in the importance of maintaining social balance and contributing positively to the wellbeing of societies worldwide. Through these efforts, we aspire to not just conduct business with integrity and compassion, but to also inspire change and encourage a culture of support and solidarity within the tech industry and beyond.

Chief Executive Officer's report. continued

Embedding sustainability and responsibility: Our ESG commitment continued

In the realm of corporate governance, Team Internet Group has achieved remarkable progress, underscored by the comprehensive review and enhancements detailed in the Chairman's statement and elaborated upon in our dedicated ESG report on pages 29 to 56. These strides in governance reflect our unwavering commitment to transparency, accountability and ethical leadership. By continuously refining our governance structures and practices, we ensure that our operations not only comply with the highest standards, but also foster trust and confidence among our stakeholders, paving the way for sustainable growth and long-term success.

Post year end and outlook

We confirm our guidance that the Group is confident in its ability to meet market expectations as indicated on page 25. Our established brands, market leadership, cutting-edge technology, the assembled talent and robust cash flow will allow us to translate our current success into future success.

Conclusion

As we conclude this comprehensive report, I trust you have gained a deeper understanding of Team Internet Group's strategic endeavours, our commitment to innovation, and the path we have charted for future success. We have traversed through a series of critical discussions:

- The refinement of our strategic communication to foster greater clarity and connection with our audience.
- The achievements and strategic depth of our Online Marketing efforts, amidst evolving market dynamics.
- Our proactive navigation of growth trajectory and megatrends, ensuring we remain at the forefront of industry innovation.
- Our initiatives in Online Presence, aiming to revolutionise the online presence and digital identity management.
- The unveiling of AI innovations and Initiatives that mark our commitment to leading through technology and strategic foresight.
- Our dedication to sustainability and responsibility, embedding these principles into the core of our operations.
- The strategic importance of rebranding for the future, marking a new era for our corporate identity and strategic focus.
- The leadership redesign that aligns our organisational structure with our ambitions for growth and innovation.
- And finally, our outlook and future directions, where we anticipate the challenges and opportunities that lie ahead.

It is with a sense of pride and optimism that I share this report, a testament to our team's hard work, our strategic vision and our unwavering commitment to excellence. As we look to the future, Team Internet Group is well-positioned to continue its trajectory of growth, innovation and leadership in the digital landscape. I extend my deepest gratitude to our employees, partners and stakeholders for your continued support and belief in our vision. Together, we will forge ahead, embracing the opportunities and challenges of the future with confidence and strategic acumen.

Michael Riedl
Chief Executive Officer
15 March 2024

Our business model.

Team Internet's strength and organic growth is based on a foundation of exceptional resources dedicated to fostering sustainable value creation.

Our mission:

By leveraging our people, businesses and technologies, we aim to drive information, deliver value and create growth for all.

Inputs:

Our people
Team Internet leverages a wealth of talent throughout the organisation, boasting significant and extensive industry expertise.

Our operational structure
The Group's finance, human resources, product development, project management, integration, technical and operational teams are primarily based in Germany and Poland, with regional offices positioned across five continents. Team Internet operates as a truly global entity, serving customers worldwide.

Our technology
Renowned for its outstanding technological solutions, Team Internet is backed by extensive in-house product, engineering and operations teams. Our innovative omni-channel platform delivers world-class solutions tailored to meet the needs of every customer.

Our global perspective
Team Internet's globally diverse acquisitions, people and operations lend a unique perspective to the Group.

How we do it:

Our segments

Online Marketing

Crafting secure, privacy-conscious online consumer experiences powered by AI, which guide general interest online media users towards becoming confident and committed consumers through advertorial and review platforms.

Online Presence

A critical constituent of the global online presence and productivity tool ecosystem, where we serve as the primary distribution channel for a wide range of digital products.

Driven by our strategic priorities

- Organic growth
- Operating leverage
- Competitive cost of capital
- Focused bolt-on M&A

Underpinned by our shared values

- We act like owners
- We have the courage to do the right thing, even if it's hard
- We work smart to build things we are proud of
- And by working together, we win together

Our business model. continued

Creating value for all of our stakeholders whilst remaining steadfastly focused on sustainability.

Creating value for all our stakeholders:

Customers

Customer renewal rates
c.100%

Investors

23.22 cents
32% growth in adjusted EPS

827
Expert employees

Colleagues

Team Internet creates meaningful and successful connections from businesses to domains, brands to consumers, publishers to advertisers, enabling everyone to realise their digital ambitions.

Partners

Regulators and governments

USD 25 million
of payroll, corporate and value-added taxes paid in 2023

Communities

USD 1.3 million
Grants donated through the SK-NIC Fund (105 projects to date)

Focused on sustainability:

Environment

See more on our environmental strategy and carbon neutrality on pages 29 to 41.

Communities

See more on how we support local communities on pages 42 to 44.

Diversity and inclusion

See more on our approach to diversity and inclusion on pages 45 to 56.

Governance

See more on how we are creating long-term sustainable success on pages 30 to 35.

Our strategy.

Our strategic priorities create a virtuous circle: organic growth leads to enhanced operating leverage, driving a more competitive cost of capital, thus facilitating M&A.

Organic growth

New customer wins, supporting existing customers, and cross-selling our services.

Launching new products and contracting with new partners.

Notes:
Pro forma comparable financial summaries are prepared to effectively isolate organic growth.

2023 achievements:

- Organic revenue growth of 13% in 2023 demonstrates the success of the Group's strategy of investing during the pandemic.
- The Financial Times listed Team Internet among the top 250 fastest-growing companies and among the top 50 fastest-growing technology companies in Europe for the second year in a row. Inclusion is based on organic growth.

Priorities for 2024:

- Capitalise on strategic partnerships entered and new products introduced in 2023.
- Organic growth by cross-selling between the divisions formed in 2023.

Link to KPIs: 1 2 3 5 6 8 10 11 13

Operating leverage

Achieve cost savings in future periods by successfully integrating acquired businesses.

Operational gearing is expected to enhance margins as the Group scales.

Notes:
M&A activity targets specific financial synergies to ensure that the cost base continues to be well controlled.

2023 achievements:

- In 2023, the operating expenses of the Group companies expressed as a percentage of net revenue has decreased to 50%, down from 52% in 2022; a further improvement in operational efficiency which takes the Group's EBITDA conversion to a rarely observed level we have aspired to for many years.

Priorities for 2024:

- Attracting and retaining the requisite AI, data science, coding and business talent, while further streamlining overhead and administration as well as ancillary expenses.

Link to KPIs: 1 2 3 4 5 6 8

Competitive cost of capital

Reduce interest rate on historic debt (latest effective interest rate <8%).

Retain net debt/EBITDA ratio of <2x and interest coverage of >4x.

Notes:
Interest varies in line with SOFR (published by the Federal Reserve Bank of New York) and the Group's operating leverage.

2023 achievements:

- In 2023, the Company enjoyed the full year benefits of its October 2022 refinancing. The latest effective interest rate on all debt is less than 8%.
- During FY2023, the Company bought back 22.1 million shares, representing c.8% of the outstanding share capital, at an average price of GBP 1.16.
- Together, these actions helped achieve strong adjusted EPS growth of 32%.

Priorities for 2024:

- Optimising the mix between debt and equity for the right balance between capital structure efficiency and sustainability.

Link to KPIs: 3 4 7 9

Focused bolt-on M&A

Website and e-commerce targets matching Team Internet's current recurring revenue, cash generation profile.

Strong pipeline of attractively priced deals.

Notes:
Team Internet's excellent ability to source, complete and integrate transformative acquisitions drives organic growth.

2023 achievements:

- Acquisition of Adrenalads LLC in the Online Marketing segment in August 2023.
- Adding further Pay Per Action (PPA) and commerce media capabilities in the essential US market.
- Team Internet has been focusing on integrating the operating entities into the four divisions it created at the beginning of 2023.

Priorities for 2024:

- Horizontal expansion into complementary traffic monetisation strategies and vertical integration in the current strategies will be the focus.

Link to KPIs: 1 2 3 4 5 6 7 8 9 10 11 12 13

Our strategy. continued

Allocation of the Group's free cash flow is structured to ensure compatibility with its strategic priorities.

1 Progressive dividend policy:

Given the Group's maturity and resilience in volatile markets, the Directors have decided to implement a progressive dividend policy as a fundamental cash return. The proposed dividend of 2.0 pence per share for 2023 (2022: 1.0 pence per share) represents approximately 11% of 2023's free cash flow, providing ample room for growth and achieving other corporate objectives.

2 Organic growth:

While all our business units have positive EBITDA, the Directors will consider investing in capital projects that drive the Group forward and yield returns above the cost of capital. These projects may include platform integration, content repository expansion or international growth.

3 Accretive bolt-on acquisitions:

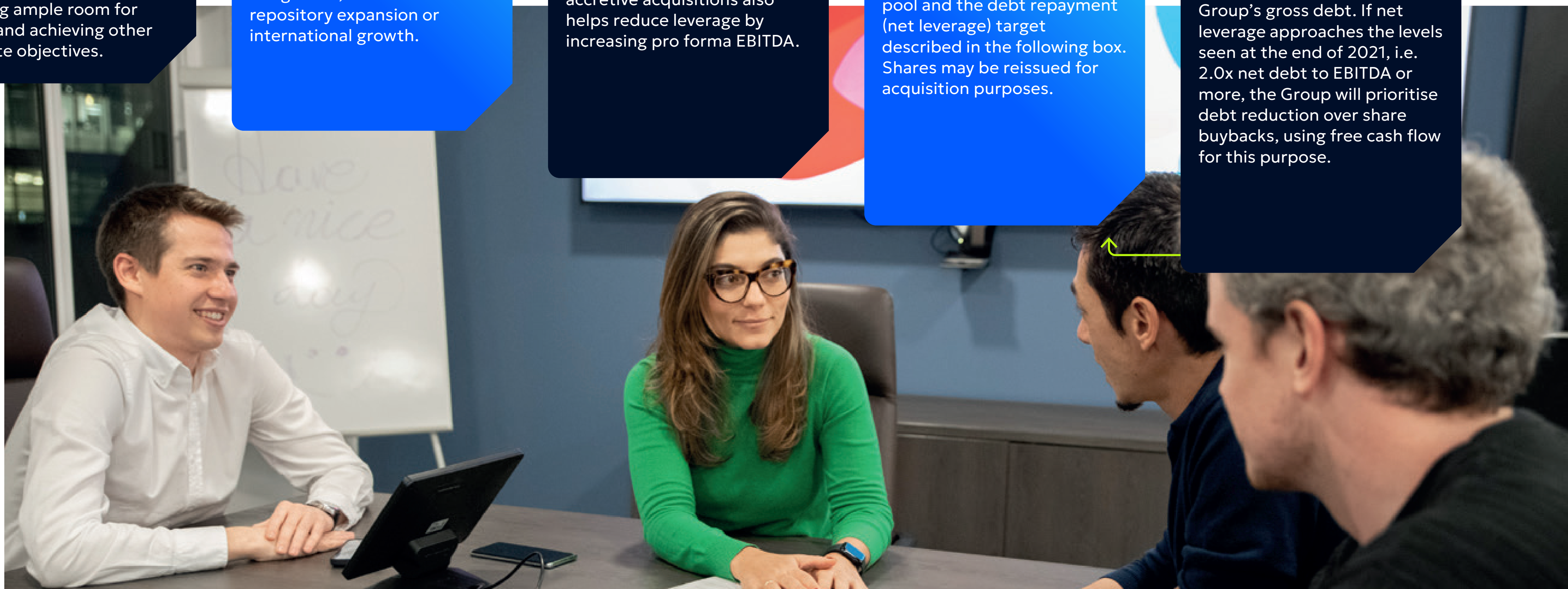
Team Internet is the company we know best. Thus, acquiring any other company must provide higher returns than repurchasing our own equity. Investing free cash flow in accretive acquisitions also helps reduce leverage by increasing pro forma EBITDA.

4 Share buybacks:

Remaining free cash flow allows share buybacks within limits agreed upon with Shareholders, the banking pool and the debt repayment (net leverage) target described in the following box. Shares may be reissued for acquisition purposes.

5 Debt repayment:

If any funds remain, they will be allocated to reduce the Group's gross debt. If net leverage approaches the levels seen at the end of 2021, i.e. 2.0x net debt to EBITDA or more, the Group will prioritise debt reduction over share buybacks, using free cash flow for this purpose.



Our strategy. continued

At Team Internet, AI is seamlessly woven into the fabric of our daily operations.

Raising the floor

This initiative focused on democratising AI knowledge within our organisation, ensuring every member of our staff is equipped with the necessary skills to leverage off-the-shelf AI tools for enhanced productivity. Our commitment is to leave no individual behind in our journey towards digital empowerment.

- Algorithm-driven HR interviews save time, enhance efficiency, and standardise feedback by listening and then summarising, assigning actions and sharing feedback
- Proprietary machine learning in CRM analyses retail customer data, enabling targeted sales operations and saving agent time
- AI used to summarise and extract actions from client-customer care conversations to streamline ticket creation and save agent time
- AI Chatbots are designed and used on voluum.com; 7,000+ customers and leads served in six months

Raising the ceiling

By providing advanced training to our engineers and data scientists, we aim to push the boundaries of what is possible with AI. This involves immersing our technical teams in the latest technologies and methodologies, enabling them to create superior products that exceed our customers' expectations.

- Customers provide a business or project description and AI generates matching options, checks availability and presents matching domain names for purchase
- AI analyses domain purchases on a Team Internet retail website, verticals are extracted and AI is used to assign the most appropriate nTLDs to inform marketing-driven campaigns
- AI used to identify better contextualised keywords on passively monetised 'parked' domain names to optimise earnings per click (EPC) and Click Through Ratio (CTR)
- AI used to build websites with content around a specific product, e.g. washing machines, to drive qualified leads to VGL

Raising awareness

A key component of our AI Academy involves nurturing a culture of critical and creative thinking among our senior leadership. This training is geared towards enabling our leaders to foresee and navigate potential disruptions caused by AI and other emergent technologies, ensuring strategic resilience. This initiative also focuses on leveraging emergent technologies to conceive products that, prior to these advancements, would have been unimaginable.

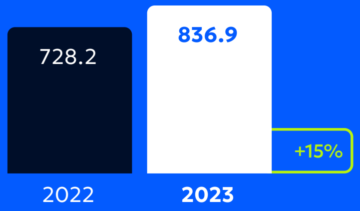
- Proprietary machine learning optimises native ad placement by analysing third-party websites' content and deploying matching advanced keywords on them for conversion maximisation (Adsolutely)
- Proprietary machine learning algorithm identifies high-traffic potential expired domains, registers them, builds websites using templates, populates them with relevant content and native ads, and promotes its articles on social media, to drive qualified leads

Key performance indicators.

The Group achieved record levels on financial key performance indicators from the top to the bottom line.

Financial KPIs

1 Revenue growth (USD m)

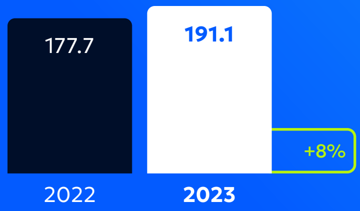


Why it's important
Revenue increase is the key indicator of the Group's growth

2023 performance
15% revenue growth achieved in 2023

Outlook
Analyst expectations of 2024 revenue currently range from USD 854.3 million to USD 914.1 million

2 Net revenue/gross profit growth (USD m)

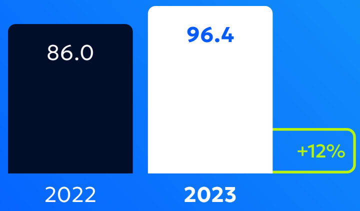


Why it's important
Principal indicator of core profitability given 'pass-through' nature of some revenue streams

2023 performance
8% growth in 2023

Outlook
Analyst expectations of 2024 net revenue currently range from USD 192.0 million to USD 208.1 million

3 Adjusted EBITDA growth (USD m)

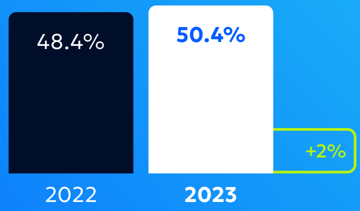


Why it's important
Adjusted EBITDA is the key measure of the Group's operational excellence

2023 performance
12% growth due to strong revenue growth and focus on cost control

Outlook
Analyst expectations of 2024 EBITDA currently range from USD 97.3 million to USD 107.6 million

4 Adjusted EBITDA % of net revenue/gross profit

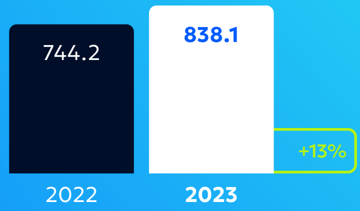


Why it's important
Given significant pass-through costs, e.g. traffic acquisition costs, net revenue ratio gives an indication of operating leverage in the business model

2023 performance
Increased by 2% in 2023

Outlook
We would expect the adjusted EBITDA to net revenue ratio to remain above 50%

5 Organic revenue growth (USD m)



Why it's important
Given the acquisitive nature of the Group in previous years, organic growth is a key metric illustrating the underlying revenue growth of the Group

2023 performance
Organic growth of 13% in 2023

Outlook
Investments are expected to continue to drive organic growth into 2024

Key performance indicators. continued

Adjusted EPS and operating profit increased by 32% and 26%, respectively. Cash and net debt KPIs impacted by cash returned to Shareholders.

Financial KPIs continued

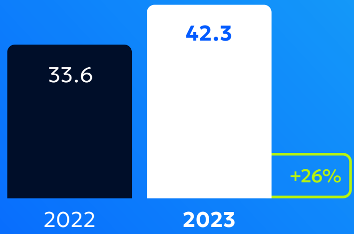
6 Adjusted EPS (cents)

Why it's important
Measure of the underlying growth in earnings per share

2023 performance
32% growth is testament to organic and M&A-led growth of the Group

Outlook
Growth expected from continuing operational leverage benefits and ongoing impact of the share buyback programme

7 Operating profit (USD m)

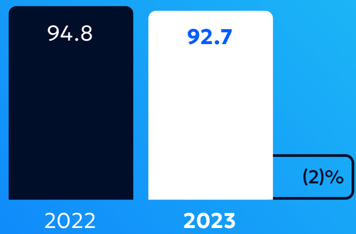


Why it's important
Operating profit is a measure of a company's earnings excluding accounting items such as one-time charges, interest and taxes that may skew profit data

2023 performance
Operating profit increased by 26% to USD 42.3 million at the end of 2023

Outlook
Continued profit growth following accretive 2022 and 2023 acquisitions and organic growth

8 Cash balance (USD m)

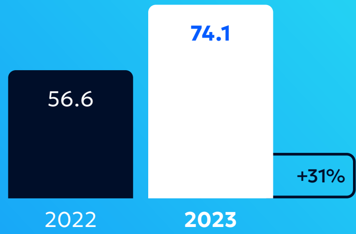


Why it's important
Cash balances are monitored weekly for working capital and M&A funding requirements

2023 performance
Cash reserves reduced by 2% to USD 92.7 million at the end of 2023

Outlook
Operational cash conversion is expected to be greater than 100% in 2024

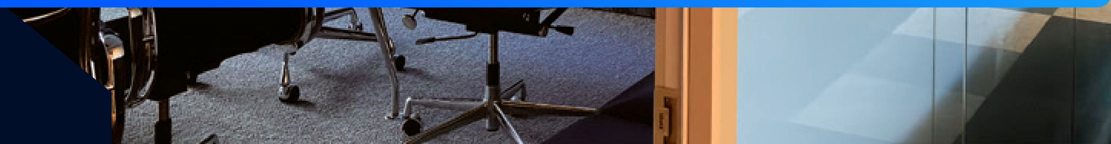
9 Net debt (USD m)



Why it's important
Net debt deleverage expected over time

2023 performance
Net debt increased following investing cash outflows (deferred consideration, dividends and share buybacks), but net debt:adjusted EBITDA ratio remains below 1:1

Outlook
Leverage measured by net debt/adjusted EBITDA will not increase to the levels of 2021 and earlier years



Key performance indicators. continued

Whilst most non-financial KPIs reported year-on-year growth, revenue per thousand impressions was impacted by the cyclical weakness in click prices across the market.

Non-financial KPIs

10 No. of visitor sessions (Online Marketing) (#)

2022	2023	
4.6bn	5.9bn	+27%

Why it's important
Indicative of the Group's total audience

2023 performance
Strong growth in particular from social media, following the audience to short-form videos

Outlook
Being platform agnostic, Team Internet will nimbly follow mass audience migration

11 Revenue per thousand impressions (Online Marketing) (USD)

2022	2023	
105	95	(9)%

Why it's important
Indicative of how effectively traffic is being monetised, absent current market conditions

2023 performance
Trending to a more stable base as digital advertising market returns to growth

Outlook
Team Internet is expected to maintain current levels of revenue per thousand sessions

12 No. of domain registration years (Online Presence) (#)

2022	2023	
13.2m	13.8m	+4%

Why it's important
Indicates whether Team Internet is winning market share

2023 performance
Greater demand for country code TLDs and new TLDs contributed to growth

Outlook
Further market share gain by volume expected in 2024

13 Average revenue per domain year (Online Presence) (USD)

2022	2023	
10.0	11.3	+13%

Why it's important
Indicative of the stability of our conversion of underlying activity

2023 performance
Growth of 13% achieved given market shift to alternative domain names

Outlook
Sustainable growth expected as we continue to bring efficiencies to the domain subscription process

1. The year-on-year percentage increase or decrease for non-financial KPIs is calculated using non-rounded figures.

Section 172(1) statement.

The Board recognises its responsibility to take into consideration the needs and concerns of all our stakeholders as part of our discussion and decision-making processes, and in this regard, we welcome the fresh stance under section 172 of the UK Companies Act 2006 ('s.172') as part of the QCA Corporate Governance Code.

The Directors have identified the Company's key stakeholders as its: Shareholders and investors, employees, customers, suppliers, regulators and governmental bodies, the environment and the wider community.

Building positive relations with these stakeholders, treating them well and with respect and managing our operations in a sustainable way, is essential to the success of the business.

The Board considers the interests of the Group's employees and other stakeholders, including the impact of its activities on the community, environment and the Group's reputation, when making all decisions.

The Board, acting fairly between members, and acting in good faith, considers what is most likely to promote the success of the Group for its Shareholders in the long term.

The Group's stakeholder engagement activities help to inform the Board's decisions. By thoroughly understanding our key stakeholder groups, we can factor their insights and concerns into boardroom discussions.

Customers

The Group engages with customers across the globe through its dedicated customer support function. Engaging with our customers and understanding their needs is critical to delivering on our strategy, ambition and purpose.

How we engage:

- Customer support function
- Newsletters
- Customer satisfaction surveys

Shareholders and investors

The Board regards effective communication with Shareholders as essential.

Relations with Shareholders are managed principally by the Chief Executive Officer, Chief Financial Officer and the Chairman.

How we engage:

- Regular meetings with institutional investors and analysts during the year
- Individual or collective meetings between major Shareholders and the Board
- Annual General Meeting (AGM)
- Feedback from nominated advisers and joint brokers on Shareholder opinions
- Group website

Employees

The Group recognises that high levels of employee engagement lead to lower levels of attrition, higher levels of productivity and a more enjoyable work environment, where people are happier and are more likely to thrive.

How we engage:

- Regular Town Halls
- Campus, our new corporate university
- Our news site – Team Internet Connect
- Pulse and targeted surveys
- Viva Engage – through our All Company community and local interest groups

Suppliers

Our suppliers are key to the operational success of our Company.

How we engage:

- Supplier audits and assessments

Regulators and governments

Our relationship with governments and regulators is important to ensure policies are developed in the interests of our customers and the industry, while also enabling them to better understand the positive impact we can have on the environment and communities we operate in.

How we engage:

- Contribute to society and communities by paying taxes and social charges in compliance with applicable regulations
- Help ideate and enforce regulation

Communities

The Board is committed to improving sustainability and helping communities thrive by positively contributing both socially and economically. Building and preserving relationships with the communities we serve is also core to our commercial success and supports our purpose of enabling our customers to realise their aspirations online.

How we engage:

- Through engagement with charities and non-governmental organisations
- Participation in key international forums and working groups

Environmental, social and governance (ESG).

Our Board sees investing as key to address ESG issues which affect the Group's stakeholders.

Introduction.

We believe that the first step to influencing positive change as a business is by making a strong commitment to our key stakeholders. This keeps our progress firmly aligned with the Group's vision and direction, and by standing by these commitments, this group of stakeholders, who will hold us accountable, will help us to embed our focus on ESG for years to come.

There are a number of initiatives that we are proud to have undertaken and prioritised during the year, which are summarised on the following pages.

See more...

Our sustainability strategy

See more on our sustainability strategy and carbon neutrality on pages 30 to 32, and 39 to 41.

TCFD

See more about our approach to the Task Force on Climate-related Financial Disclosures on page 33.

Communities

See more on how we support local communities on pages 42 to 44.

Our people and culture

See more on how we support our team members on pages 45 to 56.

Environmental, social and governance (ESG). continued

Our sustainability strategy.

The Group's sustainability framework – aligning with the UN Sustainable Development Goals

The 17 Sustainable Development Goals (SDGs) were launched in 2015 by the United Nations (UN), aiming to end poverty and create a life of dignity and opportunity for all. The SDGs define global sustainable development priorities and aspirations for 2030 and seek to mobilise global efforts among governments, business and civil society around a common set of targets.

Group activities align most closely with six UN SDGs, covering the themes of resilient, inclusive, sustainable and innovative industrialisation, together with good health and wellbeing, gender equality, decent work and economic growth, responsible consumption and production and climate action.

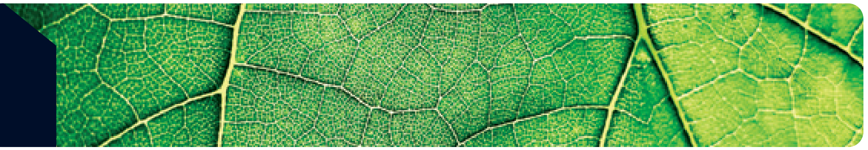
We have already made progress towards advancing these goals. The actions we have taken and our performance across these areas are covered over the following pages. Aligning our sustainability strategy with the UN SDGs will help guide our future activity to ensure we continue to create sustainable, shared value for all stakeholders.

UN Goals	How Team Internet contributes
3 Good health and wellbeing	Health and wellbeing are embedded in Team Internet's strategic people priorities, and contribute to its core sustainability mission.
5 Gender equality	Team Internet is committed to ensuring equal opportunities for all, irrespective of gender, and to maintaining a culture of inclusion, where diversity is seen as a strength.
8 Decent work and economic growth	Team Internet employs over 850 employees globally. Our team is crucial to delivering our sustainability goals and mission. Team Internet has been for many years, and continues to be, on a steep growth trajectory. Our people are central to helping us continue to build our services, and we are committed to providing the best and most inclusive environment in which to work.
9 Sustainable development	Team Internet is at the forefront of innovation within the Online Marketing and domain industry. Our mission is to help online consumers make informed choices, demonstrating our commitment to effective digital work and social practices, such as data privacy.
12 Responsible consumption and production	Team Internet makes sustainability a key factor when managing suppliers.
13 Climate action	Team Internet is taking action to reduce its GHG emissions whilst also investing in green energy projects.

Read more about
The Group's goals, strategy and business model on pages 1 to 27.
How we manage risks, pages 60 to 63.
Corporate governance, pages 66 to 77.

Environmental, social and governance (ESG). continued

Our sustainability strategy. continued



Materiality

We have conducted a materiality assessment to identify the material and emerging ESG issues relevant to our business, our stakeholders and the societies in which we operate.

Team Internet performed the materiality assessment according to GRI 2022. This exercise allowed the Group to identify the most significant impacts on the economy, environment and people, including human rights, as a result of its activities and business relationships. The process comprises four steps.

1) Understanding the organisation's context

The Group conducted a mapping exercise that defined a preliminary list of material topics based on industry-specific frameworks, such as SASB Software and IT services and SASB Internet and Media services. Also, a benchmark of the most relevant peers and stakeholders was conducted. This process helped the organisation to consider the impacts commonly associated with the sector. This phase took place in a series of workshops guided by experts where critical organisation members were involved.

2) Identification of impacts

The organisation involved internal and external stakeholders in identifying impacts. A survey was used to capture the impact's dimension (environment, economy and people), the type of impact (positive, negative, actual and potential) and the likelihood of the impact occurring. The total participation rate of the survey was 61%, where internal stakeholders rate was 64% and external stakeholders 50%.

The likelihood represents the chance of an impact happening. The organisation used a qualitative method to measure this concept. The hierarchy used was: not likely, likely and very likely. The organisation validated the survey results through round table discussions moderated by a panel of experts and interviews with relevant organisation members and external stakeholders.

3) Assessment of significance

Team Internet assessed the significance of the impacts based on their severity defined by their scale, scope and irremediable character. The organisation assigned a score for each topic and category (1: low, 2: medium, 3: high).

The concept of scale refers to how severe a negative impact is (or could be), or how positive an impact is (or could be).

The scale of a negative impact can depend on whether the impact leads to non-compliance with laws, regulations or authoritative intergovernmental instruments.

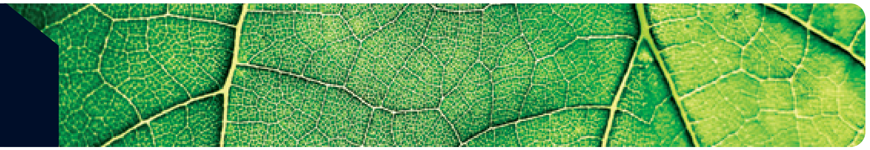
The organisation also considered the context in which the impact took place to determine the scale scoring.

The scope represents how widespread the impact is (or could be). This typically refers to the number of individuals or the extent of environmental resources that are or could be affected.

Irremediable character means how difficult it is for the organisation to counteract or make good the resulting harm. This concept applies only to negative impacts.

Environmental, social and governance (ESG). continued

Our sustainability strategy. continued



Materiality continued

4) Prioritisation

The topics were prioritised based on the average score of scale, scope and irremediable character (when applicable). The Group has prioritised negative impacts and positive impacts separately. The threshold used to consider a topic's significance corresponds to those topics scored from medium to high.

The Group is committed to addressing today's sustainability challenges and opportunities, adjusting our business strategy accordingly. Understanding the needs of key stakeholders and the expectations they have is central to ensuring Team Internet prioritises the most critical issues, and operates a responsible and sustainable business.

Our sustainability strategy was developed around our priority sustainability topics and associated Sustainable Development Goals (SDGs). We sought stakeholders' views in determining the materiality of different topics, having undertaken an in-depth analysis of the SDGs to identify opportunities for shared value creation. Our materiality assessment followed best practice, involving our leadership team and a broad range of external stakeholders.

Prioritisation of negative impacts

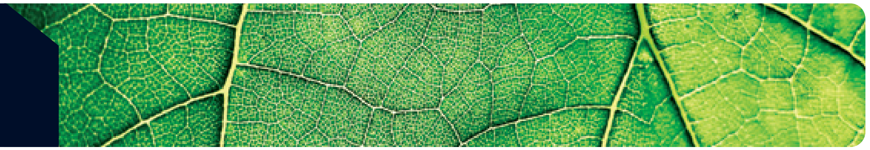
Material topic:	Significance score:
Data security	2.67
Customer privacy	2.33
Intellectual property	2.00
Managing systemic risks from technology	2.00
Energy	1.33
GHG emissions	1.33

Prioritisation of positive impacts

Material topic:	Significance score:
Diversity and equal opportunities	2.00
Non-discrimination	2.00
Training and education	2.00
Corporate governance, ethics and compliance	2.00
Intellectual property	2.00

Environmental, social and governance (ESG). continued

Climate-related financial disclosures.



The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board to improve reporting of climate-related risks and opportunities.

Team Internet has structured its climate disclosures according to the TCFD recommendations, believing that good quality information about its climate-related risks and opportunities supports Shareholders to make long-term investment decisions.

A big part of holding ourselves accountable is taking a leadership position on disclosure. We adopted TCFD reporting in our 2022 report ahead of time on a voluntary basis and continue to be proactive in our reporting and improve on our disclosures.

We have detailed in this table our progress against the eleven TCFD recommendations.

● Fully consistent with TCFD recommendations

◐ Partially consistent with TCFD recommendations

Recommendations

Governance

Disclose the organisation's governance around climate-related risks and opportunities

Read more on pages 34 to 35 →

Recommendation:

a) Describe the Board's oversight of climate-related risks and opportunities. ●

b) Describe management's role in assessing and managing climate-related risks and opportunities. ●

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.

Read more on pages 36 to 37 →

Recommendation:

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. ●

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. ●

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. ◐

Risk management

Disclose how the organisation identifies, assesses and manages climate-related risks.

Read more on page 38 →

Recommendation:

a) Describe the organisation's processes for identifying and assessing climate-related risks. ●

b) Describe the organisation's processes for managing climate-related risks. ●

c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management. ◐

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Read more on page 39 →

Recommendation:

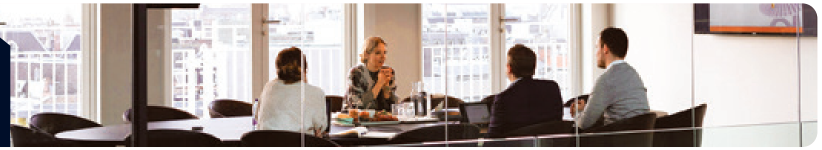
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. ◐

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. ●

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. ◐

Environmental, social and governance (ESG). continued

Governance.



Governing climate-related risks and opportunities.

Board oversight of climate issues

The Board establishes Team Internet's purpose, vision and strategy with due consideration given to all material influencing factors, including those related to climate change.

The Board's assessment of climate-related matters is informed through presentations across dedicated strategy sessions and within Board meetings, which cover the substance of the physical and transitional opportunities and risks associated with climate change.

The Board's assessment of risk is reflected both in the strategic decisions it takes, and in the identification of Group principal risks and emerging risks, which have the ability to affect achievement of agreed strategic objectives and, in turn, long-term success.

Board Committee support is provided on climate-related issues in the following ways:

- the Remuneration & Nominations Committee ensures the Board possesses the correct depth and balance of capabilities to support Team Internet's long-term position, including the expertise to assess the impact of climate-related change; and
- the Audit & Risk Committee supports the Board on matters relating to financial reporting, internal control and risk management. The Committee reviews the integrity of Team Internet's climate-related financial reporting and the process used to develop Team Internet's TCFD-aligned disclosures.

The Board-agreed division of responsibilities across key areas of Team Internet's governance framework are set out in the terms of reference of the Board Committees, and the role profiles for key Board roles.

Role of Senior Management

Strategy is implemented by the Executive Committee through the operational management of Team Internet's business units and monitoring of performance in line with agreed plans. This includes ensuring business decisions are being taken in line with the parameters set by the Board and for monitoring new and emerging issues that require escalation.

The Chief Financial Officer (CFO) retains responsibility for the management of climate-related initiatives under agreed strategy and, in turn, driving progress. In support of this, the CFO agrees the annual objectives for the Group Governance Lead, who is a direct report. The Group Governance Lead advises the Board, Group Executives, Senior Management Team, Group Audit & Risk Committee and business units on climate-related matters and progress under the various projects.

The Group Audit & Risk Committee monitors all Group risks on a periodic basis and ensures that the business units are managing the risks for which they are responsible. The Audit & Risk Committee has overall responsibility for ensuring the right mechanisms are in place for managing all risks, including climate-related risk and opportunities.

Environmental, social and governance (ESG). continued

Governance. continued

Governing climate-related risks and opportunities. continued

Role of Senior Management

Top-down risk management
Ongoing risk mitigation and control review.

Board of Directors
The Board has overall responsibility for how we identify and manage climate-related risks and opportunities, as described on page 34. Matters reserved to the Board include items of significant strategic importance, such as those which have a direct impact on the Group's funding position, reputation or integrity; and/or ethical standards.

Audit & Risk Committee
Monitors and assesses our risk management and internal control system effectiveness on the Board's behalf. That includes climate change risks and opportunities, discussed at least on a quarterly basis.

Chief Financial Officer
The CFO is ultimately responsible for our environmental policy and performance. That includes climate-related risks and opportunities.

Bottom-up risk management
Identification, assessment and monitoring of risk.

Executive Committee
Sets operational strategy on climate change and sustainability. It also monitors associated progress, performance and risks – informed by our Governance and Compliance Team. The Executive Committee meets on a monthly basis, agenda points include climate-related risks and opportunities.

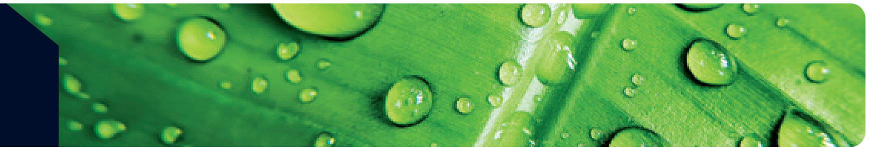
Governance and Compliance Team
The Governance and Compliance Team oversees the daily management of climate-related compliance and risk matters on behalf of the Executive Committee. They coordinate the process of identifying and assessing risks and provide regular reports to ensure effective communication.

Engaging with stakeholders to inform strategy

The Group has conducted a materiality assessment during the year to help us understand which sustainability-related issues are most relevant to our internal and external stakeholders. The results of the materiality assessment are disclosed in the strategy section of the ESG section of the strategic report on pages 31 and 32.

Environmental, social and governance (ESG). continued

Strategy.



Risks and opportunities

Impact of climate-related risks on our business and strategy

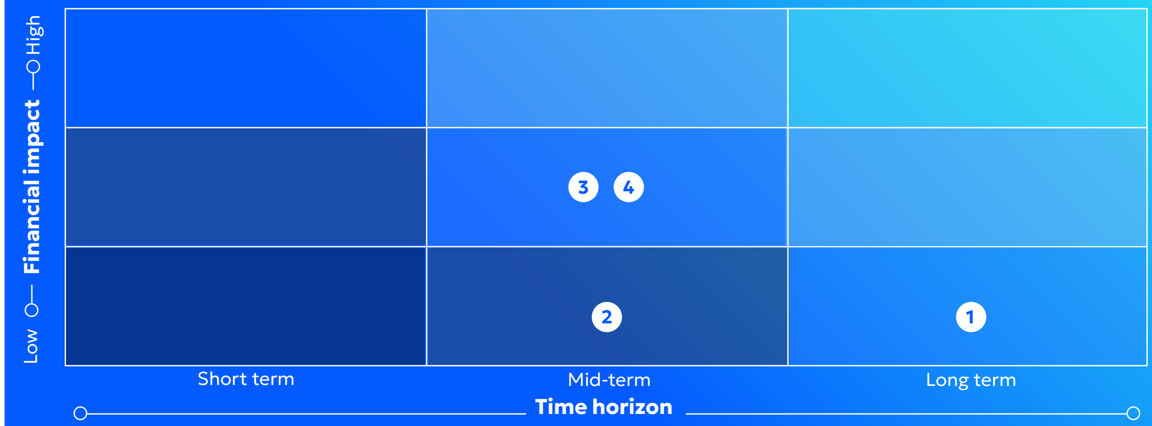
In preparing the consolidated financial statements, the Directors have considered the impact of climate change on the Group and have concluded that there is no material impact on financial reporting judgements and estimates (as discussed in note 4 to the financial statements). This is consistent with the assertion that risks associated with climate change are not expected to have a material impact on the longer-term viability of the Group. Also, the Directors do not consider there to be a material impact on the carrying value of goodwill, other intangibles or on property, plant and equipment.

Resilience of our strategy

We committed to carbon reduction measures to reduce our exposure to future carbon pricing and energy cost increases. As part of our reduction planning, we have started discussions with our landlords and suppliers to assess their commitment towards a journey to net zero emissions.

To help mitigate physical risks to our data centres, we are transitioning to cloud-based hosting. This will increase geographical diversity of data storage and backup, reducing our reliance on any one specific data centre location.

Key risks heatmap



Key risks

1. Severe wind/rain storm or other weather events
2. Enhanced emissions-reporting obligations
3. Changing customer behaviour
4. Costs to transition to lower emissions technology

Impact scales

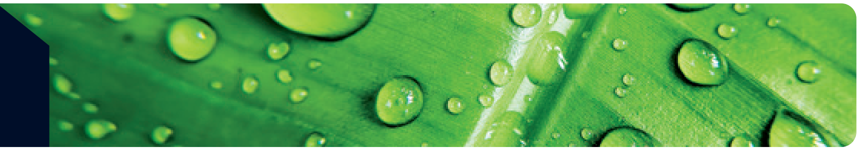
High	>4% of annual net revenue (gross profit) i.e. > USD 8 million
Medium	1-4% of annual net revenue (gross profit) i.e. USD 2 million – USD 8 million
Low	<1% of annual net revenue (gross profit) i.e. < USD 2 million
Minimal	No significant financial impact

Time horizon

Short term – 0-5 years
Mid-term – 2030
Long term – 2050

Environmental, social and governance (ESG). continued

Strategy. continued



Risks and opportunities continued

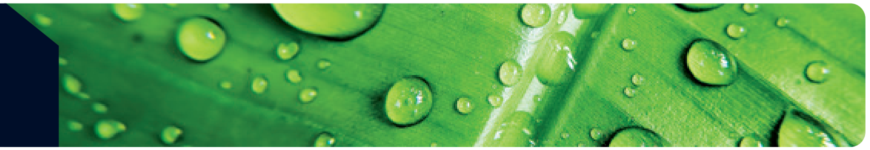
Risk	Description	Scenario	Impact description
Severe wind/rain storm or other weather events	Physical risk	Current policies	More frequent and severe heatwaves and extreme weather would likely mean a need for extra cooling maintenance costs and more business disruption
Enhanced emissions-reporting obligations	Transition risk	N/A	Regulatory and governmental policy changes may introduce additional operational costs
Changing customer behaviour	Transition risk	Net zero 2050	Loss of revenue as a result of changing customer preferences and expectations on climate action
Costs to transition to lower emissions technology	Transition risk	Delayed transition and Net zero 2050	Increase in utility costs and rental prices as a result of higher energy prices

Time horizon
Short term – 0-5 years
Mid-term – 2030
Long term – 2050

Opportunities	Time horizon	Impact
Adapt to changing consumer preferences	Mid-term	Global events can lead to higher traffic and people using the internet more
Use of lower carbon energy sources	Mid-term	Transitioning to energy efficient technologies and focusing on maintaining renewable electricity consumption in our operations could lead to lower operating costs as a result of less reliance on expensive fossil fuels
Reduced operating costs (e.g., through efficiency gains and cost reductions)	Mid-term	Having a remote workforce protects business from physical risks Having the Group's operations in high-efficiency buildings can reduce energy costs

Environmental, social and governance (ESG). continued

Risk management.



Process for identifying and managing risks

Our risk management framework helps us assess, manage, monitor and act on risks – including climate change – to deliver on our strategic objectives. We track and report risks to the Audit & Risk Committee and Executive Committee.

Risk identification

We identify climate change risks as part of our risk management framework. We manage them through GRCs – including operational resilience (physical assets), stakeholder management (reputation) and supply management (supply chain).

Risk assessment

We evaluate climate risks against time horizon, preparedness and likely degree of impact. We calculate the impact using quantitative and qualitative measures on revenue and market capitalisation, customer experience and stakeholder perception. This lets us determine relative risk priority.

Risk treatment and monitoring

Day to day, we manage climate risks in the parts of our business they might affect. Once a risk is identified and assessed, a risk owner is responsible for developing and implementing the mitigating actions and controls. We decide how to mitigate or control a risk based on its likelihood and impact.

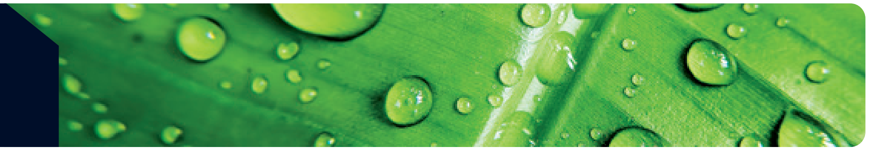
The control owners are responsible for reviewing policies, procedures and other relevant information to check whether the controls are effective and update them as necessary.

Mitigation plan

Risks	Mitigation plan
Severe wind/rain storm or other weather events	Transitioning to cloud computing, hence reducing reliance on data centres. Business continuity plans are in place for extreme weather events in all our locations, which are reviewed and tested regularly.
Enhanced emissions-reporting obligations	Improve transparency of ESG data and climate transition plans. Continue to roll out energy efficiency programmes to minimise risk exposure.
Changing customer behaviour	We continue to engage with our stakeholders and customers on climate-related issues. We consider these insights as part of our climate plans and approach to engaging with customers and other stakeholders.
Costs to transition to lower emissions technology	Continue to roll out energy efficiency programmes to optimise energy use. Engage partners in our value chain to promote alignment of carbon targets and actions, including energy efficiency improvements.

Environmental, social and governance (ESG). continued

Metrics and targets.



Metrics to assess risks and opportunities

Our internal metrics and targets help us measure and manage financial risk associated with potential future carbon-related risks and opportunities. Team Internet's Scope 1, 2 and 3 emissions are summarised on page 40, giving comparative years.

Targets used to manage risks and opportunities

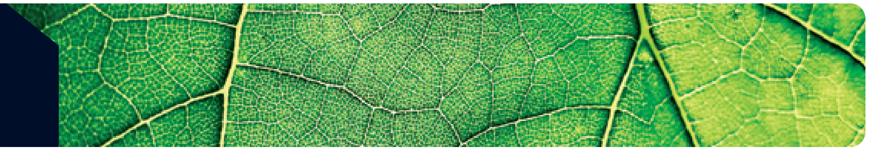
We are consistently striving to update and enhance our metrics and key risk indicators to more effectively gauge and address climate-related risks and opportunities. We acknowledge the need for further development in this domain as industry practices evolve and higher-quality data becomes more accessible.

Disclosure of GHG emissions

In 2022, we conducted our most thorough assessment of Scope 1, 2 and 3 emissions, benefiting from enhancements made to our data collection systems (refer to page 41). Throughout 2023, we have sustained this high standard, facilitating improved year-on-year comparisons and providing a consistent basis for evaluating our progress.

Environmental, social and governance (ESG). continued

Energy consumption.



Streamlined Energy and Carbon Reporting (SECR)

Under the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, we are mandated to disclose our UK energy use and associated greenhouse gas (GHG) emissions. Specifically, and as a minimum, we are required to report those GHG emissions relating to natural gas, electricity and transport fuel, as well as an intensity ratio, under the SECR regulations.

Methodology

Team Internet Group Plc appointed ClimatePartner, a leading carbon and energy management company, to independently assess its GHG emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

ClimatePartner has conducted the 2023 carbon footprint calculation on behalf of Team Internet, including activities relevant to their Streamlined Energy and Carbon Report for 2023. The activities of all Team Internet global sites and full-time employees (FTEs) were included in the calculation. The calculation was conducted in accordance with the GHG Protocol Corporate Standard and HM Government's Environmental Reporting Guidelines (March 2019).

Results

This is the fourth year Team Internet Group Plc has assessed its emissions. The two tables below show only the SECR required elements for the **UK operations**.

Element	2023 (tCO_2e)	2022 (tCO_2e)
Direct emissions (Scope 1)	**66.5**	60.1
Indirect emissions (Scope 2) – Purchased electricity	**8.2**	8.9
Total tCO_2e (Scope 1 and 2)	**74.7**	69.0
Other indirect emissions (Scope 3) – Employee-owned car travel	**2.2**	2.8
Other indirect emissions (Scope 3) – Upstream fuel and energy-related emissions	**10.7**	5.0
Total tCO_2e (Scope 3)	**12.9**	7.8
Gross total tonnes of CO_2e	**87.6**	76.8
Tonnes of CO_2e per UK employee	**1.2**	0.7

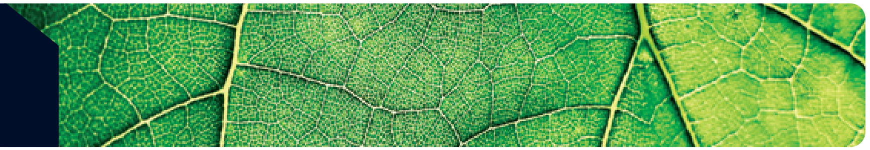
Scope 3 emissions are indirect GHG emissions which we cannot control but may be able to influence. As Scope 3 emission reporting is an ever-evolving space, Team Internet is looking at the best way to collect this information going forward. This year has seen an increase in our carbon emissions in the UK, partly due to the increased quality of data collected around Scope 3 emissions.

Tree plantation programme

Team Internet continued to contribute in 2023 to a global tree plantation programme, Eden Reforestation Projects (EFP). In this effort, Team Internet helped EFP plant 1,333 trees in 2023 around the world in Ethiopia, Madagascar, Nepal, Haiti, Indonesia, Mozambique, Kenya and Central America.

Environmental, social and governance (ESG). continued

Energy consumption. continued



Group GHG emissions

We have also assessed the emissions of the Group as a whole using the same methodology. The table below summarises the GHG emissions of the Group.

Element	**2023 (tCO_2e)**	2022 (tCO_2e)	
Gross total tonnes of CO_2e	**2,884**	2,998	(4)%
Tonnes of CO_2e per Group employee	**3.6**	4.1	(12)%
Tonnes of CO_2e per Group revenue (in USD million)	**3.4**	4.1	(17)%

There are a few factors that contributed to the decrease in carbon emissions in 2023, including a decrease by 27% of our travel during the year. We have also closed a few of our offices, as well as downsizing for others during 2023, and we expect to see further reductions in terms of Scope 1 and 2 emissions in 2024 as a result. We continue to review our office leases as they come up for renewal.

Energy efficiency

We take our carbon reduction commitments seriously and have already started taking steps to ensure that there is a reduction on the intensity metrics of our carbon emissions in the coming years. Some of our goals for 2024 to improve energy efficiency are:

- we aim to switch all sites to renewable energy in an effort to reach net zero for our Scope 2 emissions. As of 2023, approximately 25% of our sites operate on renewable energy already; and
- given that we are embracing the hybrid working model, the Group will also be closing some of its offices in 2024 in an effort to reduce Scope 3 emissions as they relate to employee commuting. We will further look into employee incentives for greener commuting alternatives to the remaining sites as well as using green energy when homeworking.

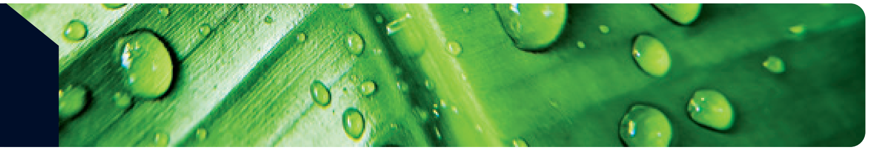
Carbon neutrality

Our priority remains to reduce emissions where we can; however, the Company recognises that there are residual emissions we cannot avoid. Following the review conducted by ClimatePartner on the GHG emissions of the Group, Team Internet decided to offset the Group's Scope 1, 2 and 3 emissions by investing in clean drinking water in Laos. You will find more information on this project and its impact here: https://fpm.climatepartner.com/project/1187/en. Team Internet is a certified Carbon Neutral Company.

Carbon neutral
Company
ClimatePartner.com/21709-2303-1002

Environmental, social and governance (ESG). continued

Engaging with our communities.



Internet accessibility

In line with the United Nations Broadband Commission's objective of providing affordable internet connection to the 50% of the world that is still offline, Team Internet actively provides and expands its internet services in virtually all developing countries around the world.

We believe that the internet is a pivotal instrument for improving the human condition, and developing countries can benefit greatly from broader access to information, business and trade communications and effortless connectivity with people around the world.

Global cybersecurity initiatives

Team Internet employs multiple anti-abuse and compliance teams around the world to set policy, and monitor and enforce compliance with our own policies and those of partners and regulators, as well as applicable laws.

Team Internet has adopted extensive policies for protecting users from digital fraud and other forms of cybercrime.

The Group actively co-operates with international organisations on protecting users against cyber threats. For example, the Group has partnered with eco – Association of the Internet's Industry on the topDNS initiative, which aims to fight DNS abuse through education, awareness, collaboration and operationalisation. The stable, safe and secure operation of the DNS has proven to be the foundation of the internet as a universal public resource.

The Group has a strict policy of adhering to local laws and regulations in every jurisdiction in which it operates, and co-operates with national regulators and law enforcement, as well as third-party reporters.

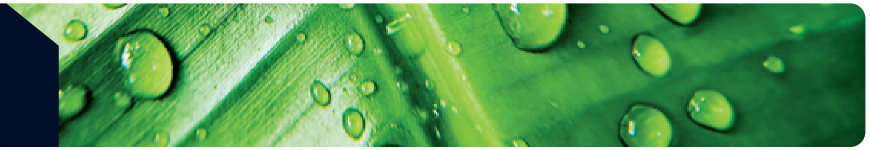
Team Internet has partnered with leading cybersecurity vendors and law enforcement organisations against global cybercrime. The Group regularly participates in joint efforts for taking down internet domains used by illegal actors and disabling (sinkholing) botnets operated by cybercriminals.

Data privacy

Data privacy is a fast-evolving subject, with regulators and industry leaders setting the pace. Team Internet stands behind the transition towards data privacy by employing dedicated staff and retaining recognised advisers to constantly stay ahead of the curve for its internal compliance. Team Internet also provides modern online marketing tools that allow advertisers to successfully promote their products and services without a need to intrude into consumers' privacy.

Environmental, social and governance (ESG). continued

Engaging with our communities. continued



World Economic Forum

Since 2020, Team Internet has been an active member of the World Economic Forum (WEF), the world's leading international non-governmental organisation for public-private co-operation. The Forum's commitment to improving the state of the world resonates deeply with Team Internet's mission to drive innovation, deliver value and create growth for all.

Team Internet are an active part of the World Economic Forum's New Champions. A global community of forward-looking companies championing new business models, emerging technologies and sustainable growth strategies in the Fourth Industrial Revolution.

The New Champions exemplify new business models that transcend industry boundaries, competitive landscapes driven by new technologies and tackling societal challenges that require new forms of business leadership driven by new expectations from customers, talent and policymakers. Team Internet's experts are actively involved in these initiatives, contributing their expertise and insights, and participating in working meetings and discussions.

ICANN

ICANN, or the Internet Corporation for Assigned Names and Numbers, is a global multi-stakeholder organisation that co-ordinates the internet's DNS and IP addresses devoted to the security, stability and interoperability of the global internet for the benefit of all, values that resonate perfectly with Team Internet's beliefs. Team Internet is therefore an active supporter of the ICANN multi-stakeholder model of internet governance and has been actively and constructively contributing as a sponsor of the ICANN meetings and as a participant in multiple policy development working groups on issues such as the development of a new domain name transfer policy, the introduction of the new top-level domains, and the development of a standardised registration data request service.

A CEO ESG network for sustainable excellence

In 2023, Team Internet's Chief Executive Officer, Michael Riedl, fronted the establishment of a groundbreaking CEO ESG network, driven by an unwavering commitment to instigate transformative changes within the industry and shaping a legacy for future generations. This visionary network operates as a catalyst for impactful collaboration across the entire domain name industry, propelling tangible and global change.

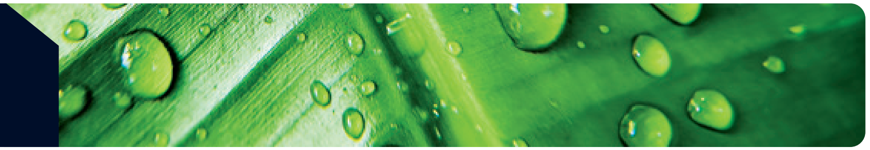
At the pinnacle of this initiative, the group convened during the annual general conference of ICANN in October 2023. A formidable assembly of senior stakeholders and industry leaders united forces to lay the groundwork for substantial improvements that would resonate globally, elevating the collective interests of stakeholders. Since its inception, the network has experienced an exponential rise, boasting a formidable lineup of over 15 representatives from leading companies worldwide, with a steady influx of new participants each month.

The recent gathering in March 2024 marked a pivotal moment as the group collectively endorsed a collaborative framework, setting the stage for a monumental impact on the industry.

The network is poised to champion the cause of 'Domains for Good,' operating under three pillars: 1) Good for the Industry, 2) Good for our Customers, and 3) Good for the Planet. This strategic framework underscores the commitment to drive positive change that extends beyond mere industry benefits, creating a profound and lasting impact on a global scale. This is displayed in further detail on the next page.

Environmental, social and governance (ESG). continued

Engaging with our communities. continued



A CEO ESG network for sustainable excellence continued

'Domains for Good'

Good for the Industry	Good for our Customers	Good for the Planet
Diversity of employees	Online safety	Decarbonising domains
Diversity of thought	DNS abuse	Reducing waste
Women in domains	Online harms	Capacity planning
Career opportunity	Fraud	Community

International Telecommunication Union

Team Internet is a member of the International Telecommunication Union (ITU) which is the United Nations' specialised agency for information and communication technologies. ITU is committed to connecting all the world's people – wherever they live and whatever their means – which strongly resonates with Team Internet's mission to help create a universally inclusive internet that improves global prosperity, equality and sustainability. We are proud to be a part of ITU's mission to protect and support everyone's right to communicate.

Türkiye earthquakes

It is deeply sad to see the impact of the earthquakes on the people of Türkiye and its surrounding regions and our thoughts are with everyone affected. The earthquakes created an unprecedented humanitarian crisis impacting more than 13 million people in the region across an area of 110,000 square kilometres. As a business, we donated over USD 30,000 to help the Red Cross get vital support to those affected.

SK-NIC Fund

SK-NIC, part of the Group and manager of the .sk ccTLD, has made an official commitment to donate 5% of its annual revenue to support the Slovakian digital economy and internet community. Since 2019, Team Internet has donated USD 1.3 million (USD 1.1 million in 2022) to philanthropic technology projects.

The SK-NIC Fund has supported 105 projects to date. In 2023, support was provided for several noteworthy projects, including:

- You too in IT – AI Skills4Teachers: a dedicated programme launched to help girls prepare for a career in the IT sector.
- Impact Games – Gamifactory: a programme for students, leveraging digital education games that enhance engagement and addresses the shortage of quality digital content for schools.
- Touch&Speech n. o. – Bee4Blind: accessibility software to enable visually impaired people to use smartphones and touch screens.

Environmental, social and governance. continued

Our people.

One team, four divisions, one heartbeat underpinned by a common set of values and way of working.

2023 brought us new beginnings. A new CEO, a pivot to a divisional structure and the path to greater cohesion and collaboration. This inspired a new era of re-invigorated innovation, passion and energy. As we forge ever more meaningful connections – to each other, our customers and the planet – it is our people who remain our greatest asset.

Environmental, social and governance. continued

Our people. continued

Cleopatra Sotiropoulou
Group Governance Lead

Meet Cleo

Cleo joined Team Internet as a Paralegal in 2017 following the completion of her Law Degree and several years at law firms in London and has quickly risen through the ranks at Team Internet Group.

Initially working on company filings, ICANN compliance work and the implementation of the GDPR across the business, Cleo's outstanding ability to navigate significant and complex projects soon saw her promoted to the role of Compliance Officer, taking on all compliance-related activities across the Group.

Over the years her role expanded and her reputation for excellence grew, and in 2023, Cleo was promoted to the role of Group Governance Lead and Company Secretary. With the support of the Company, she is currently working towards a Governance qualification through the Chartered Institute of Governance UK & Ireland.

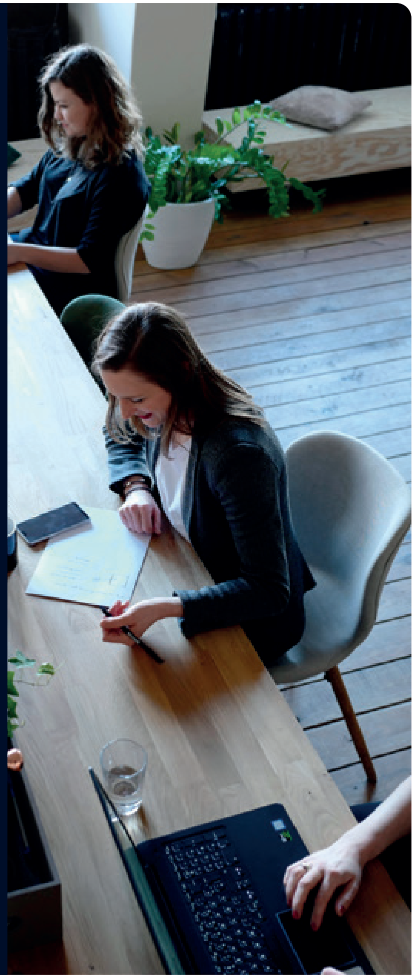
Cleo now also oversees and, working closely with CEO Michael Riedl, drives Team Internet Group's ESG agenda. Cleo says: "Being involved in our ESG work is exciting and professionally, one of my best-loved areas of focus.

"My team is responsible for guiding the development and implementation of our ESG policies, engaging stakeholders, managing and mitigating ESG risks and ensuring transparency through effective reporting.

"There is also a significant amount of strategic planning with ESG, across many varied and important themes. As a Company, we've put a lot of time and energy into determining what is important to the Company and the key focus areas which will see us make the biggest impact.

"Being mindful about, and having a positive impact on, the world are important to me personally and so I'm both proud and grateful to work for a company that holds these same values.

"Team Internet has also been incredibly supportive over the years in helping me to develop and grow my career. It's not just a great place to work, it's a place that has provided myriad opportunities for me to evolve with the business. Through my work in shaping its governance and compliance practices and ESG efforts, I really feel like part of its story. I can't wait to see what the next chapter holds."



Environmental, social and governance. continued

Our people. continued

One Team Internet

Our rebrand in 2023 put 'Team' at the heart of Team Internet Group with the intention that, together as one team rather than legacy brands, we would ensure Team Internet is truly future fit and able to continue to achieve great things.

Under the stewardship of the newly formed Executive, we aligned under one umbrella brand supporting the continued evolution of our Group's personality and character over the coming years.

With new values defining how we operate, behave, interact, make decisions and get things done, together we will ensure Team Internet's continued success.

The Executive is committed to building a culture, purpose and heartbeat that our teams feel proud to be part of and more motivated than ever before to deliver the results our stakeholders deserve. Our talented and dedicated teams have always been central to our success, and as we further embed our culture and grow our capabilities to deliver our strategy, our team members' wellbeing, happiness, pride and sense of belonging remain front of mind.

Our culture is not owned by any single person or team; it is owned by everyone. In 2023, we formed the Culture Club as part of our Campus launch, ably lead by a dedicated Culture Crew who make sure that in our flex-friendly way of working, those valuable connections are made across teams, countries and businesses.

Where historically our businesses were more siloed, now everyone is part of the Club from day one and, through our many Company-wide events and activities, together our teams continue to evolve and bring the Team Internet Group heartbeat to life.

Engagement

In our early 2023 employee engagement survey, conducted during a period of significant change, we saw a moderate increase in engagement. Following the survey, we identified five key areas of focus to further build on our 2022 progress, making sure we continue to build an inspiring culture that people are proud to be part of and where everyone feels valued, included and empowered to be their best selves.

Our five key areas of focus

- **Team Internet's strategic vision and communication what we do**
- **ESG and social impact**
- **Career progression**
- **Innovation**
- **Wellbeing and social connectivity**

Environmental, social and governance. continued

Our people. continued

2023 employee engagement survey: You said, we did

Team Internet's strategic vision and communication

- We aligned the business into four divisions and created our new Executive Committee.
- We completed a full rebrand in 2023, including a new vision, mission and values.
- Our new corporate OKRs were published, setting out our high-level strategy.
- We migrated to Microsoft 365 and now use its suite of tools – like Viva Engage – to communicate.
- We more clearly listen to what our people have to say.
- Campus, our new corporate university and one-stop-shop for Company information, was launched in October.
- Our Town Halls got a revamp, including a new 'spotlight' segment which highlights a new area of the business and promotes greater internal understanding and collaboration.
- Revamped Connect, our monthly Team Internet news update, which links to our new Campus News site to keep our teams up to date.

Photographer
Layton Thompson

ESG and social impact

- 2023 saw the launch of a dedicated ESG network for industry leaders, spearheaded by CEO Michael Riedl.
- We added a new Non-Executive Director, Marie Holive, to our Board.
- We retained our Carbon Neutral status in 2023.
- A space was created on Campus to showcase our ESG work, detailing all of the amazing activities we do across the Group and shared updates in our monthly news update, Connect.
- We supported and raised funds for Ukraine, made donations for those in need following the Türkiye-Syria earthquakes and supported our teams in New Zealand and Israel in times of need.
- We celebrated International Women's Day together, supporting child-headed households (those where there are no adult carers in the home and children live on their own) in KwaZulu-Natal in Durban South Africa through the Wonderbag initiative.

Career progression

- Work has begun on our leadership planning programme to ensure we are spotting and nurturing our own talent.
- We focused on growing our own talent, launching the Academy on Campus to put all our learning and development offers in an easy-to-navigate space, with a dedicated Management Academy to support our people to become our leaders of the future.
- Most of our roles have been reviewed with a view to determining the meaningful skills and attributes needed for the future so that we can create internal opportunities and mobility.
- We have improved our employer brand in the marketplace, so we can attract the best talent
- LinkedIn Learning, which provides thousands of online courses at your fingertips, is available to all employees as part of their benefits package.
- Most members have regular career and growth conversations (C&G) with their managers to talk about their future and how they can develop, and our target is to ensure all employees are participating in C&G by end of 2024.
- Our employees' professional development needs have been listened to, with technical and functional skills training offered where it's needed.
- We created training packages for our divisions, tailored to suit their specific needs and timelines.
- We have continued to ensure that all our processes are inclusive, including ensuring our recruitment process is free from bias and internal mobility is enabled through transparent access to all opportunities throughout the Group.

Environmental, social and governance. continued

Our people. continued

2023 employee engagement survey: You said, we did continued

Innovation

- We have created partnerships with AI thought leaders to support our divisions in creating AI solutions for our businesses.
- We released the new AI-powered search engine: internet.bs.
- We built our new corporate university, Campus, using AI, saving hundreds of hours of work and significantly shortening the time it took to launch.
- Steps towards a vibrant new Innovation Factory have begun.
- We are on track to launch our new AI Academy, talking to divisions with AI experts to stay ahead of the game.
- The Data & AI team have created an AI tool to create meeting minutes and actions – an amazing support and timesaver for our business, ensuring those elusive minutes are available for governance purposes.
- We introduced AI to our recruitment process, not to match CV's as the results are less inclusive, but to help improve our process and speed by using an AI tool to take interview notes, saving time and helping us make better decisions.

Wellbeing and social connectivity

- We embedded our 'Moments that Matter' ethos across more of the business, with teams creating their own cultural canvases to decide what they do best together and what is better done at home.
- We facilitated more meet-ups for teams, cross-divisional working and face-to-face collaboration opportunities for team members who do not normally work together.
- New channels have been created for us to engage more around the world, such as Campus, Connect News, Teams and Viva Engage.
- Across the Group we ran more events that connect us no matter where we are. Our people rose to our 2023 Move It Wellness Challenge, hosted by the Culture Crew, and we grew, moved and snapped for Movember, raising money for a great cause. We also marked International Women's Day in March (see ESG and social impact) and International Men's Day in November, with sessions focusing on men's health open to all employees.
- Through the year we raised awareness around mental health and the importance of looking after ourselves and others.
- We built the Wellness Centre as part of our Campus and extended our Employee Assistance Programme to everyone.
- We provided 954 hours of English lessons to team members that were not so comfortable working in English to help people feel more included in the day-to-day life at Team Internet.
- We revamped our Culture Club, now driven by our Culture Crew, with their creative event planning, thoughtful initiatives and passion for building connections, they work hard to create a workplace where people from all backgrounds, ethnicities and cultures feel seen, heard and appreciated.

Our priorities for the year ahead: creating an experience that engages and retains our high-performing talent

Supporting our team members, customers and suppliers remains a key priority and we know that satisfied external stakeholders start with happy employees who are well supported, nurtured and given the space to grow. Through our programme of alignment, collaboration, upskilling, innovation, wellness, engagement and creating a culture which is diverse and inclusive, we will continue to see our people shine.

Following the 2023 rebrand, we began weaving our vision of making meaningful connections into absolutely everything we do. Our new values are beginning to drive our behaviours and decision-making and we are optimistic that our work to unite and connect our team as a whole has taken great strides during 2023. This work is not done. 2024 is key in the further development of our people journey and we look forward to continuing to share the results in our next annual report.

Environmental, social and governance. continued

Our people. continued

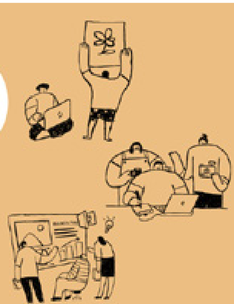
Embedding our future-focused way of working

Through 2023, we watched companies insisting their people returned to physical offices. We did not. We have continued to listen to our people, managers and leaders and trust that they know best as to how their teams work most productively and we remain, as always, a results-driven business.

Our people love our flex-friendly approach to work, which enables them to weave their careers around their personal lives and keep both in alignment. That said, we appreciate our people want structure and certainty around our ways of working, and we will continue to build on the work done in both 2022 and 2023 to embed our flex-friendly approach to working across the Group, fully implementing our Home, Hub, Huddle approach.

In 2023, we launched Campus, the first stage of our virtual Corporate University, creating the heart of our business. Campus is the place to go for everything you need as an employee within the Group. This has also enabled a fast and continuous flow of information to help our people feel connected and part of a wider Team Internet.

Home, Hub or Huddle?



We learned a lot about ourselves during the pandemic. That's why our approach to working now is remote first, with a focus on creating **moments that matter**.

It's based around a simple concept: Home, Hub or Huddle?

In 2024, we will launch Phase 2 of the University, designed to support our flex-friendly approach through a collection of both practical and inspirational hubs based in key locations. By curating a collection of iconic workspaces that enable us to come together as individuals, teams, functions and divisions, we will provide new ways to work, meet, brainstorm, learn, share knowledge, work on the next greatest idea and so much more. This much-needed social connectivity will be created not by a rule, but by ways of working that we have created ourselves and which enable us to dream big.

This journey has already begun. We have consolidated our collection of inherited offices and re-designed several of our workspaces to create places that our teams want to come to create their moments that matter together.

This work will continue in 2024 through the lens of our ESG credentials and inclusivity. All refurbishment plans support our commitment to minimising our environmental impact, and the fit-outs and colour palettes are specifically considered and designed to create calm, inspiring working environments that enable everyone to thrive and feel they belong.

Environmental, social and governance. continued

Our people. continued

Embedding our future-focused way of working continued

To support this in 2024, we will add a carefully selected network of inspiring spaces to enhance our hub network and help ensure we bump into other parts of our business as we meet.

Providing more clarity on how we do things around here

As we collaborate more as divisions and teams, providing more clarity on how we get things done around here and what tools we use to ensure greater efficiency, becomes increasingly important. With our clear values on the behaviours we believe will drive our success, simplifying, streamlining and reducing our many legacy processes will make us more agile, efficient and effective. This is vital on many levels. Productivity will flourish, our daily working lives will improve immeasurably, more interesting opportunities for innovative work will be created and increased internal mobility will be realised.

2023 actions continue into 2024 as we build for future growth through a focus on efficiency across the Group.

Simplifying the way we do things, creating much needed synergies and aligned processes has been, and will continue to be, a key focus for the executive team and across all divisions.

In 2023, we invested in Microsoft 365, to provide one common set of tools to improve everyone's working lives and enhance collaboration. With almost 90% of the roll out complete, finalising in 2024 is a priority. We will continue providing our teams with the tools and technology to ensure we are able to benefit from the many technology advances and we are committed to upskilling our people so they can confidently use these tools. Our AI Academy is just one example of this commitment.

Continuing to evolve our skills to ensure we are future fit

In 2022, we launched our agile approach to personal development, empowering our people to take ownership of their careers.

We, like many companies, work hard to keep the right skills and capabilities in the business to ensure we are on track to deliver our long-term strategy.

To support this, not only has Campus created the heart of our business, it also houses our Learning and Development Academy. Currently this includes all training and development opportunities available across our Group, together with the Management Academy providing elevated support and training for our people managers to make sure our people are being led by the best. In our February 2024 survey, we were pleased to see that 75% of our people felt their managers had shown a genuine interest in their career and personal development.

Recognising the critical role our managers play in developing and retaining talent, and being committed to enabling caring leaders with the skills they need to foster recognition, ownership and engagement in service of high performance, we welcomed our managers to the Management Academy programme, delivering 278 soft skills training courses with an average Net Promoter Score (NPS) of 4.52/5.

Environmental, social and governance. continued

Our people. continued

Padma Rajagopal
Web Development Manager

Meet Padma

Padma joined Team Internet in 2012 as a Software Developer in our Instra Corporation in Australia. Impressing colleagues and senior leadership with her brilliance and tenacity, within just three years Padma was promoted to Frontend Team Lead, and soon after, following the acquisition of Instra by Team Internet, one of our highly respected and talented Web Development Managers.

Padma gained both her Bachelors and Masters in Computer Science in India, achieving the second-highest rank in the university during her Masters degree. She then spent three years as a software engineer in one of the largest integrated ICT solutions and services provider in India, before migrating to Australia and joining the Group.

Reflecting back on her career and spending ten years witnessing the stratospheric evolution of Team Internet Group, Padma says: “The IT industry is constantly moving. Back in 2006, I recall crafting online examination portals recruitment processes, primarily using core PHP and HTML without too much emphasis on using frameworks. Since then, we’ve seen significant transformation. Notable trends include the rise of mobile responsiveness, the dominance of social media platforms, the widespread use of dynamic web applications, increased emphasis on user experience design and the growth of e-commerce. Overall, the web has become more interactive, dynamic and user-centric over the years.

“The web industry continues to evolve and a crucial aspect to address is ensuring inclusivity in technology. Fostering diversity, improving accessibility standards, and enhancing cybersecurity measures are areas that require ongoing attention to create a more equitable and secure digital landscape.

“Web development is a field where creativity directly transforms to customer satisfaction – and that is particularly true here at Team Internet Group. It’s a dynamic space that constantly challenges and inspires me. Working here allows me to navigate the dynamic landscape of technology, foster innovation within my team and witness tangible outcomes as we bring digital solutions to life.

“The constant evolution of web development keeps me engaged and the collaborative nature of the role enables me to lead a talented team towards achieving impactful results.

“Over the past decade with the Company, I’ve experienced a transformative journey, both in my role and alongside the Company’s growth. Progressing from individual contributions to leadership roles, I adapted to the dynamic needs of our expanding entity. As Team Internet acquired various companies, I seized the opportunity to collaborate with diverse and talented people worldwide. This global exposure not only allowed me to contribute meaningfully to our progress, but also embrace new challenges as opportunities for professional development.

“Over many years, both through my roles here and working elsewhere in the industry, I’ve witnessed significant advancement and have been proud to dedicate my career to this dynamic and ever-changing field.”

Environmental, social and governance. continued

Our people. continued

Continuing to evolve our skills to ensure we are future fit continued

With a focus on internal talent mobility and targeted development, we will continue to structure and ensure our learning priorities better enable our strategy, expanding our Campus Academies to include Leadership, AI and EDI (equality, diversity and inclusion). During 2023, 894 modules were delivered to our team members and we will introduce further courses/modules in 2024.

Embedding a flex-friendly approach in our business means we will also focus on continually ensuring that our people are correctly set up to work from home. In 2024, we plan to implement a skills-based learning management platform where, amongst other training, we will also deliver the renewal of all mandatory training such as health and safety and all core Group policies tailored to consider our flex-friendly approach to work.

In 2024, we will add the AI Academy as we upskill everyone in our business to harness the ever-changing opportunities and technological advances we have today.

The Academy will primarily focus on demystifying AI for all our people ('raising the floor'), helping everyone embrace, rather than fear, the new opportunities afforded by AI, as well as creating a tribe of AI experts ('raising the ceiling') tasked not only with keeping our business ahead of the game, but also cascading knowledge throughout Team Internet.

In 2023, we continued to level our roles across the Group to enable us to move towards a skills-based career framework. Around 75% of Group is now levelled and 2024 will see the completion of this work and the rollout of the framework, which will help the leadership ensure we have a rich pool of talent to step up into new opportunities as these are created. Helping our people gain exposure to new skills and knowledge through project opportunities and to movement across teams, will help us ensure we have the future skills to succeed.

In 2024, with the rollout of our career framework, we will begin work on succession planning; knowing our talent, identifying critical roles and ensuring we have a pool of potential successors, investing in our people, offering support and development to help them grow and succeed.

This will become a key responsibility and role of the Executive Committee as we work more closely across our divisions and Group to ensure we identify key talent, providing the opportunities to learn new skills through new roles and training. Through bi-annual talent reviews, the Executive will be provided with greater insights into our talent pipeline and take responsibility for identifying talent and skills across divisions and working together to provide the development opportunities required to help people become leaders of the future.

Our future teams will be driven by clear direction, shared goals and honest, constructive and actionable feedback.

Attraction and retention of the right talent

Ensuring we have the right talent, doing the right work, with the right skills when needed is one of our most important challenges.

In 2023, we filled 57 roles internally, going to the external market only when we needed a skill more quickly than we could develop the skill internally, or more experience was required. In 2023, our best-in-class direct sourcing of external candidates from our internal hiring team reduced our agency spend to just 13% from a previous high of 40%.

In 2023, we concentrated on improving our brand recognition in the marketplace with the launch of our newly rebranded website and continued to invest effort in our recruitment platforms and social media both at Group and local level.

To ensure continued performance in alignment with our strategy in an accelerated and ever-changing world, we continue to assess the skills that we will need in the future and to attract, develop and retain diverse talent that delivers extraordinary results. We will continue to evolve our employee proposition to ensure that everything we do helps to motivate and drive success for all. We will continue building on the work to date to create an environment where team members have a sense of belonging. Critically, in our most recent survey, 86% of our people felt they had a sense of belonging at Team Internet, and our ongoing work on inclusivity and wellbeing will help ensure this continues to improve.

Environmental, social and governance. continued

Our people. continued

Evolving our offering

We continue to work on our offering to ensure this is attractive and, more importantly, valued. It was clear that moving away from offices renders office-based benefits less attractive to many of our people. In 2024 we hope to partner with a global benefits platform to provide the freedom of choice, ensuring everyone gets access to the benefits they personally value beyond those we feel are our duty of care (providing much needed cover when sick or unable to work for longer periods of time and to help everyone save for their retirement) and which motivate them to do their best work, a goal that is of paramount importance to us.

Without a doubt, one of the huge successes of 2023 has been formalising the ability for everyone to work outside their payroll country for up to 30 working days and facilitating relocations to other countries where we have a payroll and it makes sense for the business. Over 34 team members have taken the opportunity to work overseas enabling them to spend a longer period in their home country, be closer to family and friends and sample a new culture.

Continuing our commitment to 'always inclusive' work

We continue to concentrate on ensuring that our processes and decisions ensure an inclusive workplace as a priority. Given our team represents many cultures, backgrounds and experiences, we will continue to focus on awareness and removing barriers to achieving this; remove bias, driving equity and increasing diversity at all levels but not at the detriment of making the wrong choices.

Our inclusivity pillars

Diverse teams

A wide range of voices and experience to ensure we are leveraging different perspectives to make the right decisions.

Ensuring a fair and equitable culture

Where everyone feels happy to share their thoughts, insights and ideas and, in doing so, feels valued.

Inclusive leadership

Be intentionally inclusive, curious to learn, bold enough to experiment, vulnerable enough to not have all the answers and making sure we are asking the right questions.

Environmental, social and governance. continued

Our people. continued

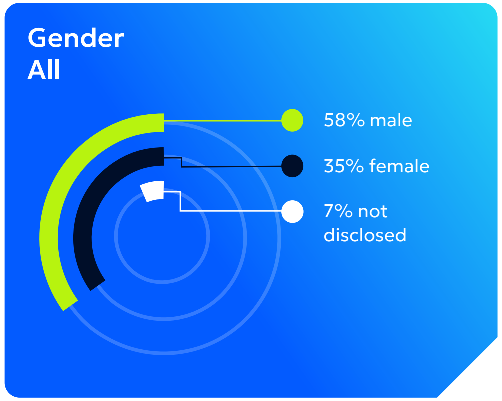
Continuing our commitment to 'always inclusive' work continued

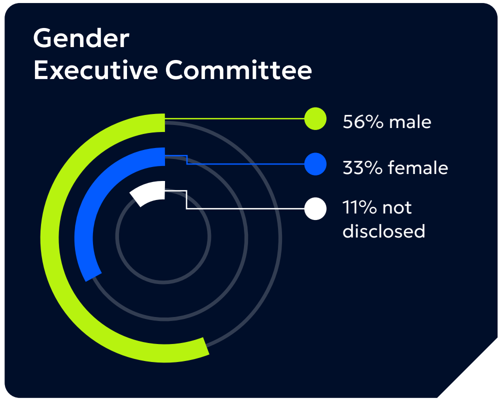
In 2023 we had over 60 internal moves and promotions and three people moved to another payroll within our Group.

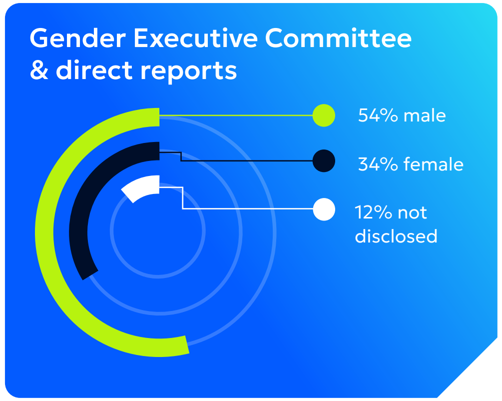
We are very proud to have over 50 nationalities across our business, speaking more than 40 different languages. We are committed to achieving gender balance in leadership and this year achieved 34% women in leadership globally. However, we know that in this area, and indeed our overall efforts in respect of diversity and inclusion, we can do more, and have designed several programmes to ensure that we devote our efforts in this key area for improvement.

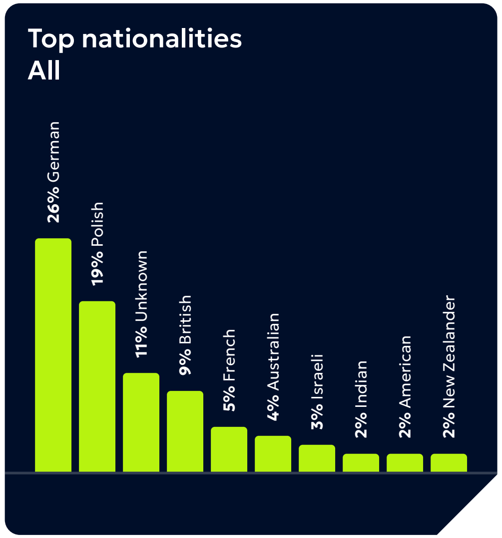
The gender balance at the end of the year for the Group was 35% female, 58% male and 7% other. Whilst this is broadly reflective of our industry, it will be a key focus for the Group as we move into 2024 and beyond.

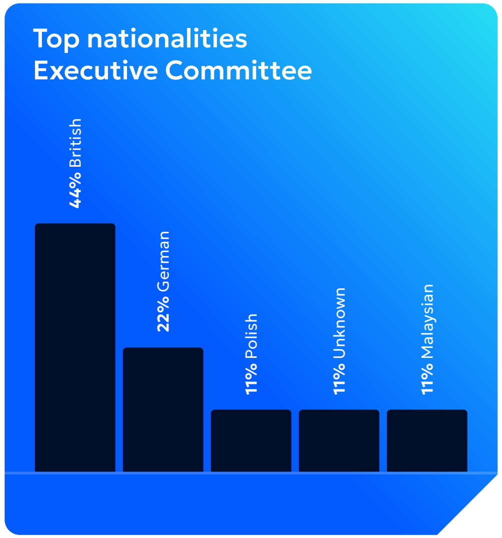
We are pleased our gender balance within the Executive Committee had increased to 33% of leadership being female by the end of 2023. This remains below our expectations and through our new career structure, manager training and talent programmes, we plan to further address this during 2023.

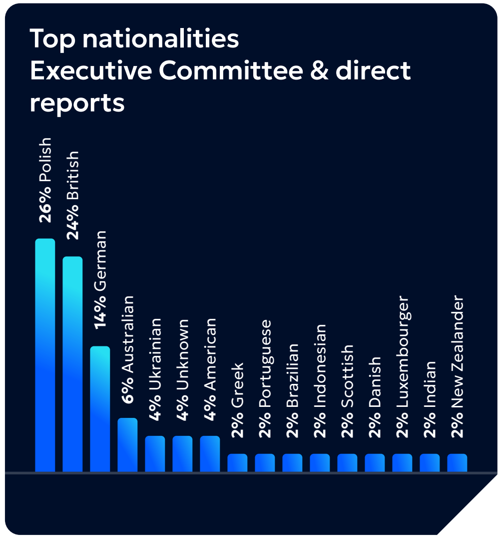












Environmental, social and governance. continued

Our people. continued

Healthy working

In 2023 we made some progress towards a more proactive approach to wellbeing, offering a variety of programmes that support wellbeing and healthier lifestyle choices. Knowing we have the support structure in place for our people, having rolled out our Employee Assistance Programme to all team members, we started to talk more about wellbeing in our communication channels and newsletters, provided awareness sessions around mental health, signposted our people to the many resources via our wellness centre. 2023 saw many of our teams taking part in Movember and our Move it challenge, and in 2024 we will build on this success as we expand our holistic approach to wellbeing.

We created 'moments' globally, bringing team members together and supporting engagement and increased connection amongst teams. Our career and growth conversations all include a discussion around wellbeing and we use this consolidated data, together with the output from the survey, to determine future actions.

Our EAP underpinned our support for our team in Tel Aviv in October, providing mental health support in a crisis as our people struggled to understand what had happened and how to live and work as a country at war.

In 2023, we started to work on raising awareness around our EDI efforts. As with wellbeing, our work to date had focused on removing bias and unfairness in all our processes. This work is now in a good place and in 2024 we move towards a more proactive approach, ensuring that every person feels that at Team Internet we truly are an inclusive company that enables everyone to thrive.

Looking back at 2023, under Michael's stewardship it has been busy for sure, but we have made great strides in creating a company that is better fit for our future, and indeed, challenges ahead. 2024 promises to be a pivotal year for Team Internet.

Chief Financial Officer's report.

William Green
Chief Financial Officer

Team Internet recorded continued revenue and operating profit growth and **USD 24.3 million profit** after tax, demonstrating the Group's continued focus on delivery of bottom-line profitability and Shareholder value.

2023 was another year of record profitability for Team Internet. Long-standing followers of the Group will be well aware of the consistent and continuing growth in revenue, EBITDA and operating profit, but the development of profitability all the way through the income statement adds an additional dimension to the Group's financial strength. Delivery of USD 24.3 million profit after tax provides further evidence of the sustainability of the Group's business models and objectively increases Shareholder value.

In the financial year 2023, the Group recorded overall year-on-year growth in gross revenues of 14.9% from USD 728.2 million to USD 836.9 million. Net revenue (gross profit) increased by 7.5% from USD 177.7 million to USD 191.1 million. Adjusted EBITDA increased by 12.1% from USD 86.0 million to USD 96.4 million.

Adjusted EBITDA margin on a gross revenue basis decreased from 11.8% in the prior year to 11.5%, a satisfactorily marginal movement given top-line growth of 14.9% and the effects of higher inflation on operating costs. Expressed as a percentage of net revenue, hence excluding pass-through costs such as traffic acquisition costs, revenue shares and registry fees, adjusted EBITDA margin increased from 48.4% to 50.4%, as the Group continues to achieve higher operating leverage despite cost inflation. As indicated in the Chief Executive Officer's report on pages 14 to 19 of this annual report, this EBITDA conversion is a key component of the rigorous benchmarking process we employ to drive operational excellence in every part of the business.

The Group continues to be highly cash generative, with net operating cash flow before tax of USD 81.0 million in 2023 as compared to USD 86.0 million in 2022.

Online Marketing

Team Internet's Online Marketing segment continued its growth story in 2023, despite less favourable trading conditions than in recent years. Gross revenue in the Online Marketing segment was USD 657.1 million, an increase of 14.3% over the USD 574.7 million recorded in 2022. Net revenue in 2023 was USD 131.7 million, an increase of 5.3% over the 2022 figure of USD 125.1 million.

Chief Financial Officer's report. continued

Online Presence

The Online Presence segment yielded gross revenue of USD 179.8 million, delivering a 17.1% increase over the USD 153.5 million recorded in 2022. Net revenue in 2023 was USD 59.4 million, an increase of 12.9% over the 2022 figure of USD 52.6 million. In achieving a higher level of growth than in previous years, the Online Presence business lays down a marker that double-digit percentage growth is a realistic aspiration for the domain name procurement and distribution business.

Quality of earnings

The commitment the Group's leadership and management made to convert net revenue growth into increasing levels of operating and net profit continues to keep cost management a high priority at all levels of the business. Every business decision is informed not only through the lens of whether the outcome of that decision will lead to revenue growth, but also whether the return justifies the investment required to execute that decision.

Group core operating expenses excluding foreign exchange, depreciation, amortisation and non-core operating expenses increased 3.3% from USD 91.7 million to USD 94.7 million, the Group's lowest increase for many years and lower than the average salary increase awarded to our people, which is the Group's most material individual cost increase.

Non-core operating expenses of USD 6.1 million were incurred during 2023, down 25.6% from USD 8.2 million in the prior year, similarly the lowest level since 2018, reflecting the high degree of scrutiny all cost categories are subject to.

Adjusted EBITDA of USD 96.4 million (2022: USD 86.0 million) has been derived from the operating profit of USD 42.3 million (2022: USD 33.6 million) as outlined in the table below:

	2023 USD m	2022 USD m
Adjusted EBITDA	**96.4**	86.0
Depreciation of property, plant and equipment	**(3.3)**	(3.0)
Amortisation and impairment of intangible assets	**(38.8)**	(36.4)
Non-core operating expenses	**(6.1)**	(8.2)
Foreign exchange	**(1.4)**	0.9
Share-based payment expenses	**(4.5)**	(5.7)
Operating profit	**42.3**	33.6

Complementing the continued growth in operating profit, the Group recorded a post-tax profit of USD 24.3 million (2022: loss of USD 2.1 million). In both 2021 and 2022, finance costs and tax converted ever-increasing operating profits to a retained net loss after tax, so being able to cover those costs with some considerable headroom demonstrates the discipline and financial maturity the Group has developed and lays down a marker in respect of the Group's financial development, similar to how the declaration and payment of the Group's inaugural dividend did earlier in 2023. This new accomplishment inspires confidence that for Team Internet the best is yet to come.

Adjusted earnings per share were 23.22 cents (2022: 17.56 cents) after consideration of non-recurring acquisition costs and acquired amortisation charges. Unadjusted earnings per share were 8.94 cents (2022: (0.78) cents). Further details of the earnings per share calculations are provided in note 12 to the financial statements.

Share buyback and dividend

The material expansion of the Company's second share buyback programme announced on 3 July 2023, alongside the cash flow waterfall model as described in the 2022 annual report and reconfirmed on page 23 of this annual report, is primarily being funded by continued strong operating cash generation. To date (close of business on Thursday 14 March 2024), the Company has bought back 28.3 million shares under its programmes at a cumulative cost of GBP 36.2 million. GBP 1.8 million remains available for the remainder of the programme.

On 16 June 2023, the Group paid its inaugural final dividend of 1.0 pence per share, totalling USD 3.6 million, reflecting a renewed capital allocation geared towards greater return to Shareholders. The proposed final dividend in respect of the financial year 2023 is 2.0 pence per share, an increase of 100%, as the Group continues to pursue the progressive dividend policy launched in 2022.

The Group had net assets of USD 153.5 million at 31 December 2023 (2022: USD 167.0 million), the managed decrease being due to the return of cash to Shareholders through the share buyback programmes and dividend.

Chief Financial Officer's report. continued

Cash flow and net debt

For the second consecutive year, net cash flow from operating activities before tax exceeded USD 80 million, generating USD 81.0 million (compared to USD 86.0 million in 2022). Trade payables and accruals increased by USD 16.9 million during 2022, followed by a more modest, though still positive, increase of USD 0.2 million during 2023, which drove the lower level of cash generation. Operating cash conversion was lower than 100% in 2023, but is expected to return to in excess of 100% in 2024.

Investing activities were mainly related to deferred contingent consideration payments (USD 21.5 million) relating to the acquisitions of VGL, M.A Aporia and other acquisitions prior to 2023, as well as initial consideration for the acquisition of Adrenalads (USD 2.1 million) and other related acquisition assets (USD 3.5 million).

The net cash outflow totalled USD 5.3 million in 2023 as compared with a cash inflow of USD 44.0 million in 2022. Other than acquisitions, for which further details on the fair value are provided in note 24 to the financial statements, the Group had relatively limited capital expenditure. Excluding acquisitions, USD 10.2 million (2022: USD 6.5 million) of property, plant and equipment and intangible assets have been added, representing less than 1.5% of Group revenue. Further, USD 2.5 million (2022: USD 129.2 million) of property, plant and equipment and intangible assets have been acquired.

The increase in net debt during the year was the result of non-recurring cash outflows and choices such as dividends and share buybacks. Absent these items, the Group would have been close to a net cash position at 31 December 2023.

In line with the appropriate treatment for translation of a foreign operation into the Group's presentational currency, both the tangible and intangible assets are translated at the closing rate, generating foreign exchange differences as presented in notes 13 and 14 to the financial statements.

Investor relations

The Group continues to engage in a broad array of investor activities, ranging from corporate institutional investors to the retail investment community. These activities encompass both online and in-person investor meetings where possible and not at odds with the Group's environmental protocols. The Directors believe that the higher-than-mandatory cadence of financial reporting remains reasonable given the Group's fast-paced growth pattern. A Q1 interim report is scheduled for 13 May 2024.

William Green
Chief Financial Officer
15 March 2024

Risks.

Effective risk mitigation is at the centre of the Group's operational strategy.

The Board has overall responsibility for the Group's internal control systems and for reviewing the effectiveness of those systems. This aids the Board in making well-informed, strategic decisions that prioritise risk considerations, all aimed at generating and safeguarding Shareholder value. Their focus is on aligning the Company's culture and risk management approach. The Executive Committee holds accountability for the identification and management of risks. Internal control measures are assessed regularly by the Board and the Audit & Risk Committee to ensure effectiveness.

Group financial risk management

The Directors review all financial and other risks of the Group, including deposit risk, credit risk, market risk, foreign currency risk and financial instruments risks. Further details of the financial risk management framework are provided in note 28 to the financial statements. The Group's financial instruments comprise cash and various items such as trade and deferred receivables.

Cash flow projections prepared by the finance function are reviewed regularly by the Directors to ensure that there is adequate liquidity to execute the Group's strategy and to meet investment and funding requirements.

Liquidity is primarily derived from cash generated from operations and is supplemented, where necessary, through equity and debt finance, especially in relation to acquisition activity.

Risks	Description	Mitigation	Opportunities
Geopolitical risk Increase	The risk that the Group encounters material disruption to its operations and customers as a result of events such as armed conflicts.	The Group physically operates in many locations globally and is not reliant on any one country. Similarly, the Group's customers are internationally spread which helps mitigate this risk. Where we have teams in locations which have been subject to conflict, we have been able to ensure that those teams are supported and provided with resources needed to live and work safely.	Geopolitical risk gives the Group an opportunity to focus on further globalisation of its already globally diverse teams.
Cyber attacks No change	Fraudulent activities conducted through digital channels, including data breaches, identity theft and cyberattacks.	In order to mitigate these risks, the Group has created a resilient network infrastructure. Key platforms of the Group have been certified under ISO 27001/2013 for data security, ISO 27017 for cloud security, ISO 27018 for cloud privacy, PCI DSS Level 1, and SOC 1, SOC 2 and SOC 3, as the case may be, thereby mitigating risk by adherence to international best practice. During 2023, the vast majority of the Group was migrated to Microsoft 365, which has enhanced security in terms of automatic multi-factor authentication, privacy controls and threat protection. The Group conducts independent IT audits on new acquisitions and, from time to time, on its existing businesses.	The Group continues to further streamline and consolidate its data and security policies. As IT and data standards and regulations are introduced or evolve, the Group uses this as an opportunity to enhance its products and services.

Risks. continued

Risks	Description	Mitigation	Opportunities
Technology risk Increase	The risk that the Group does not innovate and stay ahead of its competition, resulting in a reduction in revenue.	Development of new technology in the field of, for example, AI presents a higher risk of the Group's technology becoming obsolete over time. The Group is already operating in a primarily AI-driven environment and continues to invest to remain at the forefront of technological development. Please refer to the AI section of our annual report on page 24.	The Group plans to continue to invest in AI to drive competitive revenue growth and operating leverage.
Cost of living crisis Increase	The risk that the cost of living crisis leads to material salary inflation.	The Group leverages its presence in different countries through various time zones to attract the right talent where it is available at the right cost. The Group continues to focus on making improvements to its employee value proposition. Further, it continues to automate repetitive processes.	The Group actively engages with its employees on reward and recognition, thus ensuring that salary is only one component of an attractive remuneration package.
Foreign currency risk Decrease	The risk of incurring a material financial loss from changes in exchange rates.	The Group predominantly trades in USD and EUR. The exposure to GBP, PLN, AUD and NZD has reduced as the Group has increased in size. The exposure to foreign currency risk is considered to be acceptable. Reserves in various currencies are held to meet trading obligations as required and currency risk is actively monitored through a periodic review of inflows and outflows by currency, including an assessment of the extent to which currencies are naturally hedged across the Group's business lines. Where this is not the case, consideration is given to the use of hedging instruments and, where available, at reasonable terms and conditions, the Group has entered into hedging agreements.	When foreign exchange exposures are effectively managed, the Group can achieve either a neutral foreign exchange outcome with no gains or losses, or even moderate gains.
Global tax compliance risk No change	The risk that the Group does not comply with tax legislation, resulting in financial and/or reputational damage.	The OECD, policymakers, legislators and tax authorities promote a global tax system that is more adequately designed for a globally distributed and largely digitalised value chain. While the search for a global system continues, individual countries roll out new taxes, mostly indirect taxes, that also apply to non-resident service providers, creating tax liabilities not only in jurisdictions with strong nexus, such as a permanent establishment, but also with weak nexus, such as immaterial amounts of sales. A process has been implemented in which tax compliance obligations outside the country of residence are monitored.	The central tax function has oversight of the global tax compliance status of the constituent legal entities of the Group and works with external tax advisers to ensure compliance with local laws and regulations, as well as assessing opportunities for tax efficiencies and streamlining of operations.

Risks. continued

Risks	Description	Mitigation	Opportunities
Regulatory risk Increase	The risk that the Group does not comply with industry-specific laws and regulations, resulting in financial and/or reputational damage.	The Group monitors additional regulatory requirements made by national or supranational lawmakers relevant to the markets in which the Group operates, as well as monitoring ongoing policy developments by ICANN or the London Stock Exchange (LSE). The Group also monitors pronouncements from sanctioning bodies such as OFAC and national DPAs which may impact on GDPR compliance.	The Group welcomes all regulatory developments as an opportunity to enhance internal processes and to ensure best practices are in place across all businesses.
Data privacy risk Increase	The risk that the Group does not comply with data privacy laws and regulations, resulting in financial and/or reputational damage.	The Group manages this risk via various privacy and data management-specific policies and related procedures and controls, which are monitored on a regular basis and underpinned by employee training. The Group has benefited from data privacy enhancements, e.g. by the increasing penetration of iOS versions adopting IDFA, which fuelled the migration to privacy-safe marketing solutions such as Team Internet's.	Data privacy provides an opportunity in the Online Marketing segment, third-party cookies are not relied upon, and where systems have been built on intent or contextual marketing principles, not requiring the collection of personal data.
Market risk Increase	The risk that market conditions have a material impact on the Group's revenues.	The risk is partially mitigated by operating multiple lines of business, themselves exposed to many vertical and geographical markets and segments, which are only loosely correlated.	Future M&A activity provides additional opportunity for further diversification of revenue streams both in terms of activity type and geography.
Deposit risk No change	The risk that the Group's cash deposits are placed with banks who fall into financial difficulty.	Deposit risk is mitigated by the Group's policy of only placing deposits with banks and financial institutions with high credit ratings.	Cash pooling hubs are being established to in order to maximise returns on cash deposits.
Credit risk No change	The risk that the Group engages with customers who are not creditworthy or in financial distress.	The Group's revenue is largely generated from the largest technology companies in the world. In the Online Presence segment, exposure to credit risk is limited as customers often pay at the point of sale or in advance; where there are credit accounts, these are typically with large, credit-worthy and reputable technology companies, and receivables are controlled through credit limits and regular monitoring.	Whilst minimal for the Group as a whole, credit risk experience informs the Group's operating strategy in terms of customer engagement and credit terms.

Risks. continued

Risks	Description	Mitigation	Opportunities
Reliance on customer No change	The risk that the Group is too reliant on a single, or small number, of customers. The Group generates approximately 68% of its gross revenue through one customer.	The Group's acquisitions have introduced new revenue streams and reduced reliance on the most material customer. It should be noted that the material customer is not the principal determinant of how or where advertising budgets are spent. Instead, these decisions lie in the hands of the millions of advertisers that participate in that material customer's ad programme.	The Group will continue to diversify the customer base where it is profitable to do so.
Liquidity risk No change	The risk that the Group will have insufficient liquidity to meet short-term financial obligations.	The Group maintains adequate banking facilities, and regularly monitors forecast and actual cash flows to ensure that it has sufficient liquidity to meet short and long-term financial obligations. To mitigate against the risk of increasing interest rates, the Group entered into interest rate swaps in November 2022 to fix 50% of the Group's Term Loan A at a blended rate of 3.92%.	The Group uses this risk to optimise working capital, diversify funding sources and utilise technology for efficient cash management. This enhances the Group's financial flexibility, mitigates liquidity risk and contributes to the Group's overall financial resilience.
Fraud risk No change	The risk that the Group will suffer financial loss and reputational damage as a result of fraudulent activity.	The Group mitigates fraud through internal controls, such as vendor due diligence and cybersecurity measures, and promoting employee awareness through training. The Group's whistleblower programme encourages reporting of fraudulent and unethical activities.	The Group views fraud risk as an opportunity to provide fraud prevention products and services to its customers.
Supply side risk Decrease	The risk that the Group's access to large-scale acquisition marketing channels is disrupted.	The world-leading search engines and social media platforms which the Group uses to carry out its activities may be impacted by (i) changes in algorithms, (ii) policy changes and (iii) other force majeur events, e.g. the cancellation of contracts between external media parties. The Group mitigates against items (i) and (ii) above through having the skills and depth of knowledge within its technology teams to be able to adapt its systems to the relevant policy or algorithm changes.	Keeping up to date with the constantly evolving technology infrastructure means that we are at the forefront of new technologies and knowledge.

The Group's strategic report is set out on pages 1 to 63 of the annual report.

The strategic report outlines our performance against our strategic objectives, performance and financial position, as well as our outlook for the future.

Approved by the Board and signed on its behalf by:

Iain McDonald
Chairman
15 March 2024

Board of Directors.

We have enhanced our governance structure by increasing the ratio of Non-Executive Directors to Executive Directors from 2:1 to 3:1.

Iain McDonald
Chairman (aged 52)

Iain McDonald is a global expert in technology and e-commerce, having had a strong track record in investing in early-stage companies such as ASOS, The Hut Group, Eagle Eye Solutions, Anatwine and Metapack. He is the founder of Belerion Capital, an investor and investment adviser in technology and e-commerce companies. Iain is also a non-executive director of various of his investee companies, as well as other technology companies such as The Hut Group and Boohoo.com. Previously, Iain was a top-ranked retail and e-commerce analyst and held positions in a number of UK investment banks. Iain graduated from the London School of Economics and Political Science (LSE), with a BSc in Economics & Economics History.

Michael Riedl
Chief Executive Officer (aged 48)

Michael Riedl was appointed Chief Executive Officer of Team Internet in December 2022. With strong financial and operational knowledge from his time as Chief Financial Officer, Michael is positioned well to lead Team Internet to an even brighter future.

Michael was Group CFO of the Group from 2019 following its acquisition of KeyDrive SA, where he served as Executive Vice President and CFO from 2011, overseeing huge growth for the Company.

Prior to joining KeyDrive, Michael held managing positions in private equity and ICT industries.

Michael recently completed the Advanced Management Programme at Harvard Business School. He holds two Master's degrees; a LLM from the Frankfurt School of Finance and Management and Science in Business Administration from European Business School and a Bachelor's degree in Computer Science from James Madison University, USA. He is also a Chartered Management Accountant.

William Green
Chief Financial Officer (aged 46)

William Green joined Team Internet in 2019 as Group Finance Director, before becoming Group Chief Financial Officer in 2022. As CFO, he holds full responsibility for finance, legal and governance activities across the Group.

William's most recent role prior to joining Team Internet in 2019 was at Fremantle, part of the RTL Group. Following a ten-year stint with PwC in London and California, William worked for a variety of UK and US-listed international groups in the Technology and Media sectors, including Ebiquity, hVIVO, Time Inc, Clear Channel and Live Nation. William is a Fellow Member of the Institute of Chartered Accountants in England and Wales, having qualified as a Chartered Accountant in 2001.

Samuel Dayani
Non-Executive Director (aged 46)

Samuel Dayani is a partner at the Joseph Samuel Group, where he is responsible for managing the group's investments and business development in the technology, real estate, medtech, energy & renewables and fashion sectors. The group has a strong track record in investing in early-stage businesses and growing them to an institutional level. Samuel was responsible for purchasing Team Internet (formerly CentralNic) in 2003 and managing the restructuring of the business, building the management team and delivering an institutional grade business for its listing in 2013. Samuel is connected with companies that have a total beneficial holding in Team Internet of 20,263,779 shares, or 7.0%, as at 31 December 2023. Previously, Samuel was the Chief Operating Officer and later Managing Director of ViaVision Ltd, an interactive TV company he co-founded with six channels on the SKY platform, when it was sold to Yoomedia Plc in 2004.

Board of Directors. continued

The proportion of independent NEDs to non-independent NEDs is now at a 1:1 ratio.

Marie Holive
Non-Executive Director (aged 46)

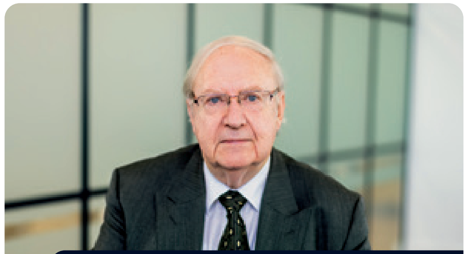
Marie Holive is a Non-Executive Director and Chair of the Audit & Risk Committee for GDEV Inc, a NASDAQ listed game development company, and Chief Operating Officer of Proteus International LLC, a coaching, consulting and training firm focused on supporting Boards and executive leaders. Prior to her current roles, Marie spent nine years at NBC Universal, the first seven as Chief Financial Officer and the final two as Managing Director for NBC Universal International Networks, where she was responsible for c.USD 700 million of revenue and 750 employees. As well as MBAs from London Business School and Columbia Business School, Marie, an engineer by background, has completed the Financial Times Non-Executive Director Diploma and the 'Women on Boards: Succeeding as a Corporate Director' Harvard Business School Executive Education programme.

Claire MacLellan
Non-Executive Director (aged 46)

Claire MacLellan spent six years at the global media company Future Plc, most recently in the positions of Chief Operating Officer and Chief Growth Officer. She played an instrumental role in transforming the business to one of the fastest-growing FTSE 250 companies, taking adjusted operating profits from a six-figure sum to over USD 250 million in four years, while growing its global audience from 30 million to over 430 million. Previous to that, Claire was at Fitness First Group for eleven years, holding a variety of senior international positions. Claire is also a non-executive director of GB Pentathlon.

Max Royde
Non-Executive Director (aged 52)

Max Royde is currently managing partner at Kestrel Partners, an investment management company specialising in business-critical software companies, which has a beneficial holding in Team Internet of 66,695,166 shares, or 23.1%, as at 31 December 2023. Max co-founded Kestrel Partners in 2009 and is a fund manager of Kestrel Opportunities. Prior to Kestrel, Max was a managing director of KBC Peel Hunt, running its technology franchise. He has over 20 years' experience focusing on the technology sector.



Horst Siffrin
Non-Executive Director (aged 76)

Horst Siffrin started his career as a German diplomat serving in Germany, the UK, Ethiopia, Nigeria, Bolivia, Poland and Spain. He is partner of inter.services holding/investments, which has a beneficial holding in the Company of 32,000,000 shares, or 11.9%, as at 31 December 2023, and owner of H.O. Siffrin Consulting based in Berlin. From August 2011 until the reverse takeover of Team Internet (formerly CentralNic) in August 2018, he was Chairman of the Supervisory Board of KeyDrive SA, Luxembourg and member of the Advisory Board of the Key-Systems Group. In 2018 he co-founded AstraPharma.

Corporate governance.

The Board of Team Internet Group Plc places governance and controls at the centre of its strategy.

Introduction

The Directors appreciate the value of good corporate governance and have, with effect from September 2018, adopted the QCA Corporate Governance Code (the 'Code'). The Company takes steps to ensure compliance by the Board and employees with the terms of the Code. The Board of Team Internet Group Plc places governance and controls at the centre of its strategy.

Board governance and policy

At the year end, the Board comprised of a Non-Executive Chairman, two Executive Directors and five Non-Executive Directors. The offices of the Non-Executive Chairman and the Chief Executive Officer are separated and never held by the same person. The Board meets regularly to consider the business strategy, performance and the framework of internal controls. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with.

In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In line with the requirements of the Company's Articles of Association, the Group has voluntarily chosen that two Directors will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

The majority of the Board is made up of Non-Executive Directors, with two Non-Executive Directors being deemed independent. We judged the Chairman to be independent at the time of his appointment. More information on the Directors' independence can be found on page 78 of the Directors' report.

Throughout their period in office, the Directors are continually updated on the Group's business, the industry, corporate social responsibility matters and other changes affecting the Group by written briefings and meetings with management. They are also updated on changes to the legal and governance requirements of the Group, and upon themselves as Directors, on an ongoing and timely basis.

Purpose

Our purpose is at the core of our strategy and has guided actions at every level throughout the year.

The Board understands the importance of culture and setting the tone of the organisation from the top and embedding it throughout the Group.

For more information on our culture see pages 45 to 56.

Corporate governance. continued

Directors' time commitment

The Company sets out the likely time commitment for each Non-Executive Director in their appointment letter. This is of course an estimate and may change depending on the demands of the business. The Company expects Non-Executive Directors to devote sufficient time to discharge their duties effectively and attend all meetings of the Board.

The attendance of each Director at Board and Committee meetings during the financial year ended 31 December 2023 is set out in the table below.

Attendance table

	Board	Audit & Risk Committee	Remuneration & Nominations Committee
Iain McDonald	14/14	3/4	–
Donald Baladasan (resigned 30 January 2023)	1/1	–	–
William Green	13/13	–	–
Michael Riedl	14/14	–	–
Samuel Dayani	14/14	–	3/3
Marie Holive (appointed 24 April 2023)	9/10	2/2	1/1
Claire MacLellan	14/14	2/2	1/1
Thomas Rickert (resigned 24 April 2023)	4/4	2/2	1/1
Max Royde	14/14	–	3/3
Horst Siffrin	13/14	4/4	0/0

Attendance is expressed as the number of meetings attended/number eligible to attend. Directors' attendance by invitation at meetings of committees of which they are not a member is not reflected in the above table.

Board performance evaluation

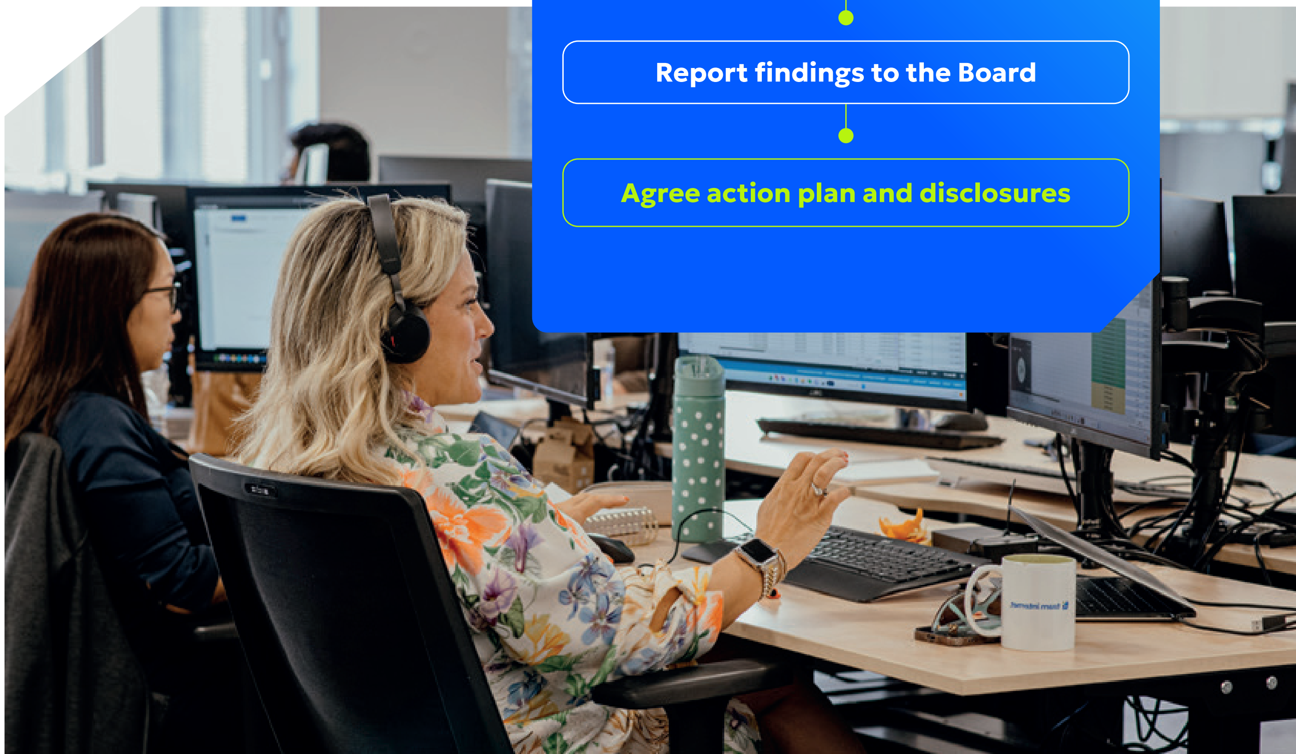
The Board has introduced an internally facilitated formal review of the Board and its committees, the Chairman and individual Directors in 2023. The evaluation considers the Board's composition, diversity and effectiveness.

Process

Tailored questionnaires were circulated to members of the Board and each of its committees. The evaluations focused on composition, succession and how well placed the Board is to add value to the business, in terms of how it oversees strategy, risk management, people, culture and performance. Focus was also given to the Board's decision-making processes, as well as how well it considers stakeholders as part of its decision making and discussions. The outcomes and recommendations were fed back to the Chairman.

Board evaluation process

- Agree approach
- Complete questionnaires
- Evaluate findings
- Share findings with the Chairman
- Report findings to the Board
- Agree action plan and disclosures



Corporate governance. continued

Board performance evaluation continued

Agreed areas of focus and actions

Overall, the Board and its committees are considered to be effective. There were certain areas of focus which the Board felt would continue to improve its performance and effectiveness. Accordingly, the Directors agreed on the following areas of focus and action for FY24:

- Devote more time to strategy sessions to enhance free-flowing discussions and allow for additional topics to be discussed where required.
- Provide ongoing training focusing on key topics/areas such as artificial intelligence, to all Non-Executive Directors.
- Improve the current risk reporting and continue focusing on risk control.

Progress shall be reviewed by the Board and/or its committees as appropriate during the year, with any ongoing areas feeding into next year's evaluation process.

The Board continually evaluates the skills that are required of its members and whether they are adequately provided for to enable each Director to keep their skills up to date. Individual training needs are identified as part of the Board performance evaluation process and training is provided as required.

The Remuneration & Nominations Committee co-ordinates on succession planning of the executive leadership team and makes recommendations to the Board for the re-appointment of Non-Executive Directors if and when necessary.

As the business has developed, the composition of the Board has been under constant review to ensure that it remains appropriate to the managerial requirements of the Group. In line with the requirements of the Company's Articles of Association, the Group has voluntarily chosen that two Directors will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

Board committees

The Company has established Audit & Risk, and Remuneration & Nominations Committees. In the 2023 financial year, the remit of the Audit Committee was expanded to include Risk.

The terms of reference for the two committees were reviewed during the year and are available for inspection on request from the Company Secretary.

Audit & Risk Committee

The Audit & Risk Committee has Marie Holive as its Chair and other members of the Committee include Iain McDonald and Claire MacLellan, who are fully independent. The Chief Financial Officer is invited to, and regularly attends, the Committee meetings, as does the Chief Executive Officer. The external auditors also attend meetings on a regular basis.

During the year, the appointments of Marie Holive and Claire MacLellan, coupled with the resignations of Thomas Rickert and Horst Siffrin, ensured the full independence of the Audit & Risk Committee. This move greatly enhances the Group's governance framework and ensures that the Audit & Risk Committee is fully independent. In addition to being fully independent as a Chair, Marie Holive also possesses the financial expertise required to adequately fulfil this role, having been in internal audit for four years and a CFO for seven years.

2023 also marked the expansion of the previous Audit Committee to becoming an Audit & Risk Committee, aligning Team Internet with established best practices for listed companies. The expansion of remit ensures a more holistic approach, recognising the need for a more comprehensive and integrated approach to risk management, encompassing financial, operational, strategic and compliance risks.

The broader focus of the Audit & Risk Committee will include oversight of risk management processes, internal controls and risk mitigation strategies throughout the organisation, and aligns with best practices and regulatory expectations that companies should proactively identify, assess and manage risks. Finally, recognising risks explicitly in the Committee's name reinforces the importance of risk oversight and governance at the Board level; it emphasises the Committee's accountability to Shareholders and stakeholders in safeguarding the Company's interests and ensuring effective risk management practices.

The primary responsibilities of the Committee, having due regard for the interests of Shareholders, include:

- monitoring the integrity of the quarterly, half-yearly and annual financial statements and formal announcements regarding the Group's financial performance;
- reviewing significant accounting policies, areas of significant estimates and judgements and disclosures in financial reports;
- monitoring the quality and effectiveness of internal control procedures and risk management systems;
- considering the requirement for internal audit, taking into account the size, distribution and nature of the Company and the Group and its operations;
- reviewing the external auditor reports relating to the Company's accounting and internal control procedures; and
- overseeing the Board's relationship with the external auditor, including their continued independence, and making recommendations to the Board on the selection of external auditors.

Corporate governance. continued

Board committees continued

Audit & Risk Committee continued

The Audit & Risk Committee is required to meet at least twice a year. During the year, the Committee met on four occasions.

The independent auditor's audit of the financial statements is conducted in accordance with International Standards on Auditing (ISA (UK)) issued by the Financial Reporting Council.

It is noted that the external auditor also operates procedures designed to safeguard their objectivity and independence.

After taking into account the size, distribution, current robust procedures and controls, together with the nature of the Company and the Group and its operations, the Audit & Risk Committee has concluded that an internal audit function is not presently required. The Audit & Risk Committee will re-evaluate this position on a regular basis.

Crowe U.K. LLP has served as the Group's external auditor since before its IPO in 2013. The Board aspires to follow corporate governance best practices so, even though putting the audit out to tender every ten years is only required for FTSE 350 companies under the UK Corporate Governance Code, the audit was put out to tender in 2023, the tenth anniversary of the Company's IPO. This robust and competitive tender process was led by the Chair of the Audit & Risk Committee and carried out in accordance with FRC guidance. The aim of the tender was to select the audit firm that could deliver the highest quality, most effective and most efficient audit for the Group. To facilitate this, tendering firms were evaluated using a scorecard with balanced criteria. A recommendation to appoint a new external auditor will be proposed for Shareholder approval at the upcoming AGM in April 2024. The appointment of the independent external auditor will continue to be approved annually by Shareholders.

The Audit & Risk Committee reviews all fees related to non-audit work, and the Committee reviews any material non-audit work prior to commencement. Details of auditor fees can be found in note 8 to the financial statements.

Remuneration & Nominations Committee

The Group's Remuneration & Nominations Committee is responsible, on behalf of the Board, for developing remuneration policy and proposing new candidates to the Board. Details of objectives and policy are provided in the remuneration report on pages 72 to 77.

The Remuneration & Nominations Committee has Max Royde as its Chair and other members of the Committee include Samuel Dayani, Horst Siffrin and Marie Holive.

The primary responsibilities of the Committee, having due regard for the interests of Shareholders, include:

- carrying out a selection process of candidates before proposing new appointments to the Board, as needed;
- determining and agreeing with the Board the remuneration policy for the Chairman of the Board, the Non-Executive Directors and the Executive Directors and other senior managers;
- reviewing the design of share incentive plans for approval by the Board and determining the award policy to Executive Directors and other key senior employees under existing plans;
- determining the remainder of the remuneration packages (principally salaries, bonus and pension) for the Executive Directors and other senior employees, including any performance-related targets;
- reviewing and noting remuneration trends across the Group; and
- taking responsibility for the selection criteria and, if appropriate, selecting, appointing and setting terms of reference for any remuneration consultants engaged to advise the Committee.

The Remuneration & Nominations Committee was created in January 2022 by merging the pre-existing Remuneration and Nominations Committees, originally created in September 2013, and is required to meet at least three times a year. During 2023 the Committee met on three occasions.

It is the Group's policy that Executive Directors' service contracts contain at least a three-month notice period.

Risk management and internal controls

The Board has ultimate responsibility for establishing and maintaining the Group's financial and non-financial controls, as well as identifying the major risks facing the Group.

Internal control systems are designed to meet the particular needs of the Group and the risks to which it is exposed. By their nature, internal controls can provide reasonable but not absolute assurance against material misstatement or loss.

The Executive Directors have specific responsibilities for aspects of the Group's affairs and have regular discussions to address operational matters, as well as considering the skill sets required in their teams to maintain the internal controls required.

Corporate governance. continued

Accounting procedures

The financial processes and control systems are kept under regular review by the Executive Directors with oversight from the Board, with a view to further evolution and improvement as the Group's activities expand. This includes the maintenance of and adherence to a Finance Policies and Procedures (FPP) Manual which is reviewed and updated periodically.

Accounting procedures are managed on a day-to-day basis by the finance team. Responsibility levels are set and agreed with the Board, with authority delegated to appropriate responsible managers as well as the Executive. Segregation of duties is deployed to the degree this is practical and efficient, noting the size and geographic distribution of the Group.

Monthly management accounts are reported to the Board, under UK-adopted IFRS, with the content aligned to the Group's management information requirements. The Board reviews the accounts in detail during each Board meeting and requests further information as the need arises. Comparisons to approved budgets and forecasts are prepared with associated commentary provided.

The Company prepares annual budgets which are reviewed by the Board. The budgets are then updated during the year to provide latest forecasts.

Capital expenditure is regulated by the budget process and is kept under regular review during the year. Investment appraisal techniques, using discounted cash flow projections, are deployed in relation to material investments and are reviewed by the Board as part of good governance such that material transactions that are material in terms of their size or type are only undertaken after Board review.

The Board acknowledges that there are processes in place for identifying, evaluating and managing risks faced by the Group, and places emphasis on continuous process improvement.

Corporate responsibility, the environment and health and safety

The Group is committed to maintaining and promoting high standards of business integrity. Company values, which incorporate the principles of corporate social responsibility and sustainability, guide the Group's relationships with its stakeholders, including clients, employees and the communities and environment in which the Group operates.

The Group's approach to sustainability addresses both its environmental and social impacts, supporting the Group's vision to remain an employer of choice, while meeting client demands for socially responsible partners. More information on this is included in the ESG section of this annual report.

The Group respects local laws and customs while supporting international laws and regulations. These policies have been integral in the way Group companies have done business in the past and will continue to play a central role in influencing the Group's practice in the future.

Communications with Shareholders

The Board regards the importance of effective communication with Shareholders as essential. Relations with Shareholders are managed principally by the Chief Executive Officer, Chief Financial Officer and the Chairman, and meetings are regularly held with institutional investors and analysts during the year.

The Chairman, Chief Executive Officer, Chief Financial Officer and, if required, other Non-Executive Directors make themselves available for meetings with major Shareholders either individually or collectively. The Group's Shareholders are invited to attend the Annual General Meeting at which the majority of Directors are present. The Group's Nominated Advisers and Joint Brokers also convey Shareholder opinions to the Chairman and Chief Executive Officer, and these are discussed with the Board.

The Group's website contains information on current business activities, including the annual and interim results.

Annual General Meeting date

The Annual General Meeting will be convened in accordance with the provisions of the Companies Act 2006.
The Annual General Meeting is due to take place on Thursday, 18 April 2024 at 9.00am. The proposed resolutions, together with this annual report, will be distributed to Shareholders on or around 25 March 2024.

Audit & Risk Committee report.

Marie Holive
Chair of the Audit & Risk Committee

"The objectivity and independence of the external auditor was safeguarded by reviewing the auditor's formal declarations and by monitoring relationships between key audit staff and the Company.

Attendance table

	Meetings attended
Marie Holive (appointed 24 April 2023)	2/2
Iain McDonald	3/4
Claire MacLellan (appointed 8 August 2023)	2/2
Thomas Rickert (resigned 24 April 2023)	2/2
Horst Siffrin (resigned 11 December 2023)	4/4

The role of the Audit & Risk Committee and its members are outlined on pages 68 to 69.

During the year the Audit & Risk Committee performed the following functions and activities:

- received and reviewed financial results and reports from the Chief Financial Officer;
- received and reviewed reports from other members of management and the external auditor relating to the interim and annual accounts;
- assessed the merits of expanding the scope of the Audit Committee to becoming an Audit & Risk Committee;
- reviewed the risk framework of the Group and developed an action plan to put processes and procedures in place to mitigate those risks;
- developed a plan to ensure full independence of the Audit & Risk Committee, and executed that plan;
- ran an external audit tender led by the Chair of the Audit & Risk Committee and made a recommendation for a change in auditor; and
- carried out an evaluation of the Board, at the request of the Chair of the Audit & Risk Committee – please refer to the Governance report on pages 67 and 68 for further details.

The Chief Executive Officer and Chief Financial Officer are invited to attend parts of the meetings, with other senior financial managers required to attend when necessary. The external auditors attended meetings to discuss the planning and conclusions of their work and meet with the members of the Committee.

The Committee was able to call for information from management and consults with the external auditor directly as required.

The objectivity and independence of the external auditor was safeguarded by reviewing the auditor's formal declarations, monitoring relationships between key audit staff and the Company and tracking the level of non-audit fees payable to the auditor.

The Committee met four times during the year where the Committee reviewed with the independent auditor its judgements as to the acceptability of the Company's accounting principles.

Since the year end, the Committee has met further with the auditor to consider the 2023 financial statements and in particular considered the material audit risks. The Committee reviewed and discussed the auditor's comments on improvements which could be made to the internal controls. In addition, the Committee monitors the auditor firm's independence from Company management and the Company.

Marie Holive
Chair of the Audit & Risk Committee
15 March 2024

Remuneration report.

Max Royde
Chair of the Remuneration & Nominations Committee

The Company's remuneration policy is focused on being able to attract, retain and incentivise management with the appropriate skills and expertise.

Attendance table

	Meetings attended
Max Royde	3/3
Thomas Rickert (resigned 24 April 2023)	1/1
Samuel Dayani	3/3
Marie Holive (appointed 24 April 2023)	1/1
Horst Siffrin (appointed 11 December 2023)	0/0

The Board has voluntarily chosen to publish a Directors' remuneration report, demonstrating our commitment to transparency and accountability. While it is noteworthy that as an AIM listed company, we are not obliged to present this report, we have taken this step, acknowledging that it may not fully comply with the comprehensive requirements for listed companies.

Remuneration & Nominations Committee

The membership of the Committee and its principal activities are detailed in the corporate governance section of this annual report on page 69.

Remuneration policy

The Company's remuneration policy is designed with a clear focus: to attract, retain, and motivate management personnel who possess the necessary skills and expertise to achieve the Group's strategic goals. By doing so, we ensure that the interests of our management team are closely aligned with those of our Shareholders, fostering a unified approach to realising our collective ambitions.

In particular, the Remuneration & Nominations Committee seeks to link payment to performance and as a result create a performance culture within the business.

Remuneration in 2023

As detailed earlier in this report, the Group achieved the goals and objectives established for the year, delivering revenue growth of 15% in 2023, including 13% organic revenue growth.

Adjusted EBITDA increased to USD 96.4 million in 2023 (2022: USD 86.0 million).

In light of this performance, the Remuneration & Nominations Committee determined to pay annual bonuses at a level of 60% of the maximum opportunity to both the Group CEO and the Group CFO.

On 15 May 2023, options were issued to the Directors under the Team Internet Group Plc Long Term Incentive Plan. Under this scheme, Michael Riedl was issued 3,139,622 share options and William Green was issued 1,200,000 share options. These options are subject to a TSR (total Shareholder return) performance target. These awards are divided into three equal tranches vesting after three, four and five years, subject to three, four and five year absolute annualised TSR performance conditions.

The Non-Executive Directors' remuneration has been reviewed by the Remuneration & Nominations Committee during the year against remuneration levels within other AIM listed companies. Consequently, Non-Executive Directors' remuneration has been increased to reflect the market rates, in order to attract and retain the required level of skills and experience required for the Board. Non-Executive Directors do not receive pension or other benefits.

Non-Executive Chairman, Iain McDonald, and former Non-Executive Director, Thomas Rickert, exercised their outstanding share options in full on 5 January 2023. This further aligns the Company's policy on Non-Executive Director remuneration with best practice in the UK, and as a result none of the Non-Executive Directors now hold any share options. Iain McDonald is now a fully independent Non-Executive Director following the removal of pension contributions from his remuneration in 2023.

AGM

In line with good corporate governance practice, a resolution to approve the remuneration report was put to Shareholders at our AGM in May 2023, which was approved, and a resolution to approve this report will be put to our 2024 AGM.

Remuneration report. continued

Remuneration policy table

Element	Operation	Opportunity	Performance metrics
Base salary To attract, retain and engage the executive talent with the skills, experience and values we need to realise our vision and deliver our strategy and plans, remuneration arrangements need to be sufficiently competitive but not excessive.	Salaries are reviewed annually and fixed for twelve months commencing 1 January. The decision is influenced by: • level, skill and responsibility; • business performance, economic climate and market conditions, and scarcity of talent; • increases elsewhere within the Group; and • external comparator groups.	There is no formal maximum limit, but ordinarily salary increases will be broadly in line with the average salary increases for employees. Increase above this level may be made in specific situations which could include promotions, changes to role, material changes in the business and exceptional Company performance.	The overall performance of the individual is a key consideration when determining salary increases, which are benchmarked to public companies with similar levels of market capitalisation.
Bonus The mix between fixed and variable pay, as well as the balance between rewarding short versus long-term performance, are critical to ensuring that we reward those behaviours that will lead to the realisation of our long-term vision without compromising short-term gain.	Bonus levels are reviewed annually prior to the start of each financial year to ensure the detailed performance measures and weightings are appropriate and continue to support the business strategy. Performance targets are set at or around the start of each financial year. Actual amounts are determined via a two-stage process. Firstly, performance against the agreed metrics is assessed. Secondly, the Remuneration & Nominations Committee reviews these results in the context of underlying business performance and the Group's financial position and may adjust the stage-one outcome at its discretion.	Bonuses range from 0-150% of salary for the Group CEO and 0-100% for the Group CFO.	Strategic and operational measures are set at the start of the year and performance against those measures is assessed by the Remuneration & Nominations Committee. Measures may include adjusted EBITDA and adjusted EPS, assessed to market expectations at the beginning of the financial year, share price growth and Group performance relative to peers.
Pension To ensure packages remain competitive within the market place and to provide a competitive level of retirement income.	Directors are able to participate in the defined contribution pension plan available to our UK employees (currently 5% of annual gross salary), and pension arrangements will continue to remain largely aligned with the wider UK workforce. However, recognising that one Director was not UK resident during 2023, local requirements were also respected where required.	Michael Riedl is entitled to a pension and cash in lieu of pension totalling 15% of base salary. William Green is entitled to a pension contribution of 5% of base salary.	None.
Share incentive plan To motivate, incentivise and recognise delivery of sustained performance over the long term. To support and encourage greater Shareholder alignment through a high level of personal share ownership.	Share-based awards are dependent on a balance of absolute and relative growth in long-term value creation for Shareholders, and Executive Directors are only rewarded for superior market performance and the realisation of our vision.	Share options were granted in 2020 and 2023 in line with the remuneration policy operating at the time. The options granted in 2020 vest over a five-year period. Options granted in 2023 are divided into three equal tranches vesting after three, four and five years.	Awards made in 2020 are subject to both EBITDA and TSR performance targets. Awards granted in 2023 are subject to an absolute TSR performance target, with performance periods of three, four and five years for each tranche.

Remuneration report. continued

Annual report on remuneration

The remuneration of the Company's Directors for the year is set out below in USD, the presentational currency of the Group. Share options issued to and exercised by Directors is contained in the long-term incentives section and not included in the table below.

	Salaries and fees USD'000	Bonus[1] USD'000	Pension USD'000	Cash in lieu of pension and other benefits USD'000	Payment in lieu of notice USD'000	**2023 USD'000**	2022 USD'000	Contractual notice periods
Non-Executive Directors								
Iain McDonald	124	—	—	—	—	**124**	130	3 months
Samuel Dayani	65	—	—	—	—	**65**	56	3 months
Marie Holive (appointed 24 April 2023)	58	—	—	—	—	**58**	—	3 months
Claire MacLellan	65	—	—	—	—	**65**	18	3 months
Tom Pridmore (resigned 14 September 2022)	—	—	—	—	—	**—**	42	—
Thomas Rickert (resigned 24 April 2023)	18	—	—	—	—	**18**	56	3 months
Max Royde	84	—	—	—	—	**84**	74	—
Horst Siffrin	65	—	—	—	—	**65**	56	—
Executive Directors								
Ben Crawford (resigned 12 December 2022)	—	—	—	—	—	**—**	2,357	—
Donald Baladasan (resigned 30 January 2023)	42	62	—	—	520	**624**	1,090	12 months
Michael Riedl	594	535	37	52	—	**1,218**	905	3 months[2]
William Green (appointed 30 January 2023)	323	194	16	—	—	**533**	—	3 months
	1,438	791	53	52	520	**2,854**	4,784	

(1) The bonus for the year is based on the amount approved by the Remuneration & Nominations Committee in respect of 2023.

(2) Michael Riedl has an additional twelve-month notice period for termination without cause.

Termination payments to Directors

In accordance with contractual obligations established in 2019, the Company paid a contracted bonus and fulfilled notice period obligations on the departure of Donald Baladasan in 2023.

Remuneration report. continued

Annual report on remuneration continued

Directors' remuneration table in GBP

The Company's Directors are engaged with contracts stated in GBP and the remuneration on this basis is set out below.

	Salaries and fees GBP'000	Bonus[1] GBP'000	Pension GBP'000	Cash in lieu of pension and other benefits GBP'000	Payment in lieu of notice GBP'000	**2023 GBP'000**	2022 GBP'000	Contractual notice periods
Non-Executive Directors								
Iain McDonald	100	—	—	—	—	**100**	105	3 months
Samuel Dayani	53	—	—	—	—	**53**	45	3 months
Marie Holive (appointed 24 April 2023)	46	—	—	—	—	**46**	—	3 months
Claire MacLellan	53	—	—	—	—	**53**	16	3 months
Tom Pridmore (resigned 14 September 2022)	—	—	—	—	—	**—**	34	—
Thomas Rickert (resigned 24 April 2023)	15	—	—	—	—	**15**	45	3 months
Max Royde	68	—	—	—	—	**68**	60	—
Horst Siffrin	53	—	—	—	—	**53**	45	—
Executive Directors								
Ben Crawford (resigned 12 December 2022)	—	—	—	—	—	**—**	1,912	—
Donald Baladasan (resigned 30 January 2023)	35	50	—	—	416	**501**	882	12 months
Michael Riedl	478	430	30	42	—	**980**	731	3 months[2]
William Green (appointed 30 January 2023)	259	155	13	—	—	**427**	—	3 months
	1,160	635	43	42	416	**2,296**	3,875	

(1) The bonus for the year is based on the amount approved by the Remuneration & Nominations Committee in respect of 2023.

(2) Michael Riedl has an additional twelve-month notice period for termination without cause.

Salaries

Michael Riedl, the Group's CEO, received a salary of GBP 478,000 in 2023, with no salary changes during the year. William Green, the Group's CFO, received a salary of GBP 282,000 in 2023, with no salary changes during the year; the amounts disclosed above are for the period of appointment as a Director onwards.

Annual bonus

2023 annual bonus was based predominantly on adjusted EBITDA versus market expectations at the beginning of the period. Consideration has been given to peer performance. Further, the Remuneration & Nominations Committee took account of delivery against strategic objectives, as reflected elsewhere in the annual report. Annual bonuses will be paid at 60% of maximum opportunity (150% of basic salary) to the CEO and 60% of maximum opportunity (100% of basic salary) to the Group CFO; the amounts disclosed above are for the period of appointment as a Director onwards.

Remuneration report. continued

Long-term incentives

Long Term Incentive Plan (LTIP) share options were issued to Directors on 15 May 2023. Michael Riedl, CEO, was granted 3,139,622 share options and William Green was issued 1,200,000 share options. These options vest in three equal tranches over three, four and five years from 1 January 2023, based on TSR over these periods. The three tranches are subject to three, four and five year absolute TSR performance conditions with 25% of the award vesting at 10% annualised TSR rising on a straight line to full vesting at 20% annualised TSR. In addition to these LTIP share options, William Green was issued 21,156 share options relating to a compensation scheme in place prior to his appointment as an Executive Director.

Prior to admission to AIM, the Group established both an unapproved share option scheme (SOP) and an Enterprise Management Incentive (EMI) option scheme under which certain key management personnel and other senior employees were invited to participate. These options were rolled over into the Company during 2013. In August 2019, Team Internet also introduced the Team Internet LTIP.

The Directors believe that it is important to properly motivate and reward key management personnel and other senior employees and to do so in a manner that aligns their interests with the interests of Shareholders. The Directors also recognise the importance of ensuring that all employees are engaged, incentivised and identify closely with the profitability of the Group.

The table below shows the outstanding share options issued to Directors at 31 December 2023:

	Date of grant	Exercise price	At 1 Jan 2023	Granted in year	Exercised in year	Lapsed	**As at 31 Dec 2023**
Donald Baladasan	2 Aug 2019	nil	293,151	—	(293,151)	—	**—**
	10 Mar 2020	nil	586,302	—	(293,151)	—	**293,151**
	10 Mar 2020	nil	879,452	—	(219,863)	(73,288)	**586,301**
William Green	7 Mar 2022	nil	18,181	—	—	—	**18,181**
	15 May 2023	nil	—	21,156	—	—	**21,156**
	15 May 2023	nil	—	400,000	—	—	**400,000**
	15 May 2023	nil	—	400,000	—	—	**400,000**
	15 May 2023	nil	—	400,000	—	—	**400,000**
Michael Riedl	10 Mar 2020	nil	53,250	—	(53,250)	—	**—**
	10 Mar 2020	nil	231,050	—	(231,050)	—	**—**
	10 Mar 2020	nil	462,100	—	(231,050)	—	**231,050**
	10 Mar 2020	nil	693,150	—	(173,288)	(57,762)	**462,100**
	15 May 2023	nil	—	1,046,540	—	—	**1,046,540**
	15 May 2023	nil	—	1,046,541	—	—	**1,046,541**
	15 May 2023	nil	—	1,046,541	—	—	**1,046,541**
Iain McDonald	4 Feb 2016	40p	350,000	—	(350,000)	—	**—**
	10 Mar 2022	nil	500,000	—	(500,000)	—	**—**
Thomas Rickert	1 Sep 2013	57p	88,000	—	(88,000)	—	**—**
	4 Feb 2016	40p	350,000	—	(350,000)	—	**—**
			4,504,636	4,360,778	(2,782,803)	(131,050)	**5,951,561**

The unapproved options granted under the LTIP on 2 August 2019, 10 March 2020 and 15 May 2023 vest over a three-year period in equal instalments. The aggregate gains of exercised share options were GBP 3.4 million (2022: GBP 1.3 million).

The options granted on 2 August 2019 and 10 March 2020 were exercised by former Director Donald Baladasan following their vesting and the meeting of their performance conditions which related to share price, total Shareholder return and EBITDA growth.

Remuneration report. continued

Long-term incentives continued

On 5 January 2023, former Non-Executive Director, Thomas Rickert, exercised 88,000 shares granted on 1 September 2013, and 350,000 shares granted on 4 February 2016. The Company allowed Iain McDonald to exercise later share options ahead of their vesting period in order to follow best practice in the UK whereby Non-Executive Director remuneration should not include share options. The Company is now fully compliant in this area.

All options expire within ten years from the grant date.

On 31 December 2023, the closing market price of Team Internet Group Plc ordinary shares was 125 pence. The lowest and highest prices of these shares in the year were 109 pence during June 2023 and 159 pence in January 2023 respectively. The average share price for the year was 127 pence. The Group's Employee Benefit Trust (EBT) has sufficient shares to satisfy outstanding Director share option awards. Please see note 18 for further details of shares held by the EBT.

Directors' interests

a) As at 31 December 2023, the interests of the Directors, including persons connected with the Directors within the meaning of section 252 of the Companies Act 2006, in the issued share capital of the Company are as follows:

	Ordinary shares	Percentage of issued capital	Percentage of voting capital
Kestrel Partners LLP[1]	66,695,166	23.1%	25.0%
inter.services GmbH[2]	32,000,000	11.9%	12.0%
Erin Invest & Finance Ltd[3]	13,853,111	4.8%	5.2%
Clevebeam Limited[4]	3,699,000	1.3%	1.4%
Michael Riedl	2,726,776	0.9%	1.0%
Jabella Group Ltd[4]	2,711,668	0.9%	1.0%
Iain McDonald[5]	608,462	0.2%	0.2%

(1) Max Royde is a managing partner at Kestrel Partners LLP.

(2) The beneficial owners of inter.services GmbH are Horst Siffrin, a Director of the Company during the year, and his son.

(3) The beneficial holders of Erin Invest & Finance Limited are Samuel Dayani, a Director of the Company, and his father.

(4) Jabella Group Limited and Clevebeam Limited are companies owned, inter alia, by Erin Invest & Finance Limited.

(5) Iain McDonald has an interest, held through a contract for difference, in 11,500 ordinary shares in the Company.

b) Save as disclosed in this annual report, none of the Directors nor any members of their families, nor any person connected with them within the meaning of section 252 of the Act, has any interest in the issued share capital of the Company or its subsidiaries.

c) Save as disclosed in this annual report, as at the date of this annual report, no Director has any option over any warrant to subscribe for any shares in the Company.

d) None of the Directors nor any members of their families, nor any person connected with them within the meaning of section 252 of the Act, has a related financial product (as defined in the AIM Rules) referenced to the ordinary shares.

e) None of the Directors is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company and remains in any respect outstanding or unperformed.

f) There are no outstanding loans made or guarantees granted or provided by the Company to or for the benefit of any Director other than disclosed in note 25 to the financial statements.

g) Save as disclosed in this annual report, there are no potential conflicts of interest between any duties to the Company of the Directors and their private interests or their other duties.

Max Royde

Chair of the Remuneration & Nominations Committee

15 March 2024

Directors' report.

Principal activities

Team Internet Group Plc is the ultimate holding company of a group of companies.

The principal activities of the Group create meaningful and successful connections from businesses to domains, brands to consumers, publishers to advertisers, enabling everyone to realise their digital ambitions. A more comprehensive description of the Group's activities, performance and likely developments are provided in the Chairman's statement, the Chief Executive Officer's report, the Chief Financial Officer's report, the corporate governance report and the remuneration report, which are incorporated by reference into this report.

A list of the subsidiary undertakings is disclosed in the particulars of subsidiaries on pages 129 to 132 of the financial statements.

Financial instruments

Details of the use of financial instruments and financial risk management are included in note 28 to the financial statements.

Results and dividends

Information on the results is provided in the Chairman's statement and the Chief Financial Officer's report.

The Directors have proposed a dividend of 2.0 pence per share in respect of the financial year 2023 (2022: 1.0 pence per share), reflecting a greater emphasis on returns to Shareholders in future.

Post year end

Further details on post year end events are disclosed in the Chief Executive Officer's report and in note 29.

Directors

The Company was incorporated on 19 June 2013, with a view to becoming the Parent Company of the Group after admission to AIM. The admission was completed on 2 September 2013, and at this time the Board was expanded.

The Directors who served during the year were as follows:

Executive Directors

Michael Riedl (Chief Executive Officer)

William Green (Chief Financial Officer, appointed 30 January 2023)

Donald Baladasan (Group Managing Director, resigned 30 January 2023)

Non-Executive Directors

Iain McDonald (Non-Executive Chairman)

Samuel Dayani

Marie Holive (appointed 24 April 2023)

Claire MacLellan

Thomas Rickert (resigned 24 April 2023)

Max Royde

Horst Siffrin

The biographical details of the Directors are provided on pages 64 and 65 of this annual report.

Two Directors will retire at the Company's Annual General Meeting and, being eligible, will offer themselves for re-election.

The Directors and their interests in the shares of the Group

The Directors of the Company, and their interests in the shares and share options of the Company as at 31 December 2023, are shown in the remuneration report on pages 76 and 77 of this annual report.

Transactions with any parties related to the Directors are disclosed in note 25 to the financial statements.

Independence of Directors

Having independent Non-Executive Directors on the Board is a core element of our governance philosophy, and our Chairman, Iain McDonald, met the independence requirements of the QCA on appointment, which Team Internet has adopted in accordance with the AIM market regulation. There are no business relationships between Non-Executive Directors and the Group, other than a company associated with Horst Siffrin renting office space to the Group which was terminated in December 2023, as disclosed in the related parties section of this report. The amounts payable under this relationship fall below the de minimis threshold considered to be material pursuant to AIM Rule 13. The Non-Executive Directors previously issued share options in the Company have exercised all options and there are none currently outstanding. The shareholding resulting from the exercise is detailed on the Directors' interests on page 77. This is in line with the Company's change in remuneration of its Non-Executive Directors in line with best governance practices. Three Non-Executive Directors are associated with major Shareholders in the Company. Marie Holive and Claire MacLellan are fully independent Non-Executive Directors.

Each year, or before a new Director is appointed, the Board must affirmatively determine a Director has no relationship that would interfere with the exercise of independent judgement in carrying out his or her responsibilities as a Director. Annually, each Director completes a detailed questionnaire that provides information about relationships that might affect the determination of independence, including a relationship with the Company, another Director, or as a partner, Shareholder, or officer of an organisation that has a relationship with the Company.

Directors' conflicts of interest

Each Director is required, in accordance with the provisions of the Companies Act 2006, to declare any interests that may give rise to a conflict of interest with the Company on appointment and subsequently as they arise. Where such a conflict or potential conflict arises, the Board is empowered under the Company's Articles of Association to consider and authorise such conflicts as appropriate.

Directors' report. continued

Articles of Association

The Company's Articles of Association set out the Company's internal regulation and cover such matters as the rights of Shareholders, the appointment and removal of Directors and the conduct of Board and general meetings.

A copy of the Company's Articles of Association is available on the Group's website.

Subject to the provisions of legislation, the Company's Articles of Association and any directions given by resolutions of the Shareholders, the Board may exercise all powers of the Company and may delegate authorities to committees and management as it sees fit. Details of the Committees of the Board and their activities are contained in the corporate governance report on pages 66 to 70 of this report.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Principal risks and uncertainties

The Board's assessment of the principal risks and uncertainties, together with the mitigating factors, are presented in the strategic report on pages 60 to 63.

Substantial Shareholders

In addition to the Directors' interests disclosed in the remuneration report, the Company has been notified that the following Shareholders' interests exceeded 3% of the Company's ordinary share capital in issue at 31 December 2023:

	Ordinary shares	Percentage of issued capital	Percentage of voting capital
Kestrel Partners LLP	66,695,166	23.1%	25.0%
inter.services GmbH	32,000,000	11.1%	12.0%
Slater Investments	31,609,308	11.0%	11.9%
Erin Invest & Finance Limited	13,853,111	4.8%	5.2%
JTC Employer Solutions Trustee	9,104,431	3.2%	3.4%
FIL Investment International	9,054,657	3.1%	2.8%

No substantial Shareholders have different voting rights to other holders of the share capital of the Company.

Corporate governance

The corporate governance report, on pages 66 to 70, is incorporated into this annual report by reference and details how the Board communicates with stakeholders.

Streamlined Energy and Carbon Reporting

The ESG report, on pages 29 to 56, is incorporated into this Directors' report by reference.

Corporate responsibility

The Board recognises its employment, environmental and health and safety responsibilities, and devotes appropriate resources towards monitoring and improving compliance with existing standards. For more information, please refer to the ESG section on pages 29 to 56.

Management and staff

The Group's Executive Committee has been assembled to ensure the Group has the number of people and range of skills required to deliver the business strategy and to support the expansion of the Group as it becomes an increasingly international business. The team is diverse and brings functional expertise across a number of disciplines including technical and operational delivery, finance, people, law, marketing and sales.

While the business is managed under budgetary controls, the Directors focus on ensuring there is succession planning in place appropriate for a business of our size.

Our people represent a number of different nationalities, and whilst we continue to work on our gender diversity as a priority, overall we are pleased and compare reasonably favourably with our sector.

The Executive Committee recognises the importance of engaging with employees and does so informally on a day-to-day basis. We use a cascade approach to employee communications, from regular newsletters, all Company and divisional town halls, and encourage leaders to disseminate appropriate information to their teams, including those situated in various locations around the world.

While we do not believe that human rights issues are a significant risk to our business currently, we are conscious that as we expand into new international markets, issues of human rights may become more significant. The Directors keep all aspects of business development under review, and act with caution and integrity to ensure all our activities, and specifically business development activities, are respectful of human rights.

Communication with employees is primarily through formal and informal meetings and through the use of the Group's information systems. This comprises a regular cascade of information affecting our managers and their teams to ensure all employees are kept up to date with issues affecting them. To ensure employees have the ability to provide regular and open feedback to the management team, the Group uses a culture and engagement platform to facilitate two-way communication and increased engagement. All employees also have access to a completely confidential HRIS channel to raise concerns of whatever nature. The Board recognises the importance of engaged employees working within the Group and how they are vital to the future success of the business.

Directors' report. continued

Management and staff continued

The Group is committed to achieving equal opportunities and to complying with anti-discrimination legislation. The Group is committed to offering employees and job applicants equal and fair opportunity to benefit from employment and career progression without regard to their sex, sexual orientation, marital status, race, religion or belief, age or disability and has taken the necessary steps to ensure all processes are fair and bias removed.

The Group seeks to ensure that every employee without exception is treated equally and fairly and that all employees are aware of their responsibilities, and our procedures and policies are designed (or are being designed) to fully support everyone. We are responsive to the needs of our people and should an employee be less able to work during their time with us, we will actively retrain that employee and make reasonable adjustments to the working environment where possible. Our Group procedures, including recruitment, training, career development and promotion, are, as far as possible, the same for everyone.

The Board of Directors comprises eight members, six of whom are male and two female, and the overall number of employees at the year end is 849, which contains 495 men, 293 women, one non-binary and 60 who prefer not to disclose.

The Group has a policy of share participation for employees across the Group at all levels.

Standards accreditations

The Registry channel of the Group's Online Presence segment is certified against ISO 27001 (information security management), ISO 9001 (quality management system) and ISO 22301 (business continuity management); Key-Systems GmbH is certified against ISO 27001 (information security management) for its CentralNic Reseller and BrandShelter brands; and SK-NIC A.S. is certified against ISO 27001 (information security management). Finally, Safebrands S.A.S. in the Online Presence segment is certified against ISO 9001 (quality assurance). These certifications are internationally recognised and provide the Group's stakeholders with additional levels of assurance as to the technical integrity of the Group's IT system.

Anti-bribery and corruption, anti-money laundering and sanctions compliance

The Group conducts business ethically, maintains financial integrity and strives to behave responsibly in its business dealings.

The Group's Directors are committed to ensuring strict adherence to its anti-bribery and corruption policy and compliance with anti-bribery and corruption laws. The Group also maintains and ensures adherence to its policies in relation to anti-money laundering and trade sanctions and embargoes, again to comply with relevant laws across the relevant jurisdictions.

All Directors, employees and consultants have received training in maintaining the highest standards of professional conduct and are aware of the need to carry out business fairly, honestly and openly. Clear lines of communication and responsibility are in place to report any incidences or suspected incidences of abuse to provide an effective, trusted reporting mechanism.

Environment

The Group is committed to operating in an environmentally responsible manner. The Directors consider environmental impacts when making decisions. Please refer to the ESG section on pages 29 to 41 for further details.

The community, charitable and political donations

The Directors consider the impact on the community when making decisions. During the year, charitable donations totalling USD 0.2 million were made (2022: USD 0.2 million).

The Group made no political donations during the year, either in the UK or overseas.

Policy on the payment of creditors

The Group's policy is to agree terms and conditions for its business transactions with suppliers and to endeavour to abide by these terms and conditions, subject to the suppliers meeting their obligations.

No one supplier is considered to be essential to the business of the Group.

R&D activity

The Group undertakes research and development activities to enhance its competitive position in its chosen markets, drawing on skilled development resource from across the Group.

Health and safety

The Directors are committed to providing for the welfare, health and safety of the Group's employees and have procedures in place, including regular monitoring by third-party specialists, to ensure compliance with its legal and contractual obligations. For more information, please refer to the ESG section on pages 45 to 56.

Business continuity

The Group has built a resilient technology infrastructure, designed to provide data security and continuity of service. The Board recognises the ongoing importance of resilience to cyber threats and invests in primary and secondary data centres along with a distributed domain name server constellation operated by the Group and third-party providers. The Board keeps the infrastructure requirements under review and adopts a continuous improvement approach to further investment, within appropriate parameters, as business activities expand. The technical provision, alongside customer support, is considered one of the most significant aspects of business continuity. This strategy has proven effective in the events around COVID-19 where the Company was able to switch to home office operations virtually seamlessly for materially all global staff. We have teams and processes dedicated to disaster recovery and business continuity.

Directors' report. continued

Going concern

The Directors have procedures in place to review the forecasts and budgets for the going concern review period, which have been drawn up with appropriate regard for the macroeconomic environment in which the Group operates, particular circumstances influencing the domain name and online advertising industry and the Group itself. These were prepared with reference to historical and current industry knowledge, as well as contractual trading activities and prospects that relate to the future strategy of the Group. As a result, at the time of approving the financial statements, the Directors consider that the Company and the Group have sufficient resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in the preparation of the financial statements.

As at 31 December 2023, the Group had access to over USD 172.7 million of liquidity, comprising cash and cash equivalents of USD 92.7 million and access to an undrawn Revolving Credit Facility (RCF) of USD 80.0 million. In considering whether the Group's financial statements can be prepared on a going concern basis, the Directors have reviewed the Group's business activities together with factors likely to affect its performance, financial position and access to liquidity (including consideration of financial covenants).

The Group has net current liabilities of USD 8.7 million at 31 December 2023. Current liabilities includes USD 42.4 million of liabilities not expected to result in a cash outflow in 2024. These liabilities consist of USD 20.0 million borrowed under the RCF, which is renewed on a periodic basis as required, maturing partly in 2026 and partly in 2027 (see note 22) and USD 22.4 million (2022: USD 23.4 million) of deferred revenue and payments received on account from customers. Excluding these liabilities, the Group has net current assets of USD 33.7 million.

Auditor

The Company's independent external auditor, Crowe UK LLP, was initially appointed on 17 July 2013 and was most recently re-appointed at the Company's Annual General Meeting of 25 April 2023. The most recent rotation of audit partner was effective from the 2020 annual report.

Following an audit tender undertaken during 2023, a resolution to appoint PricewaterhouseCoopers LLP as the Group's new auditor will be proposed at the forthcoming Annual General Meeting.

Registered office

4th Floor, Saddlers House, 44 Gutter Lane, London, England, EC2V 6BR. Registered number: 08576358

Statement of Directors' responsibilities in respect of the annual report and the financial statements

The Directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK and applicable law and the Company financial statements in accordance with Financial Reporting Standard 101.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the strategic report and the Directors' report and other information included in the annual report and financial statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Group's websites is the responsibility of the Directors; the work carried out by the auditor does not involve the consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

Disclosure of audit information

The Directors confirm that, as at the date of approval of this annual report, so far as each Director is aware there is no relevant audit information of which the Company's auditor is unaware and that he or she has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board and signed on its behalf by:

Iain McDonald
Chairman
15 March 2024

Independent auditor's report

to the members of Team Internet Group Plc

Opinion

We have audited the financial statements of Team Internet Group Plc (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2023, which comprise:

- the Group consolidated statement of comprehensive income for the year ended 31 December 2023;
- the Group consolidated and Parent Company statements of financial position as at 31 December 2023;
- the Group consolidated and Parent Company statements of changes in equity for the year then ended;
- the Group consolidated statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards.The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework the Financial Reporting Standard applicable in the UK (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's assessment of going concern and underlying cashflow projections;
- Gaining an understanding of management's basis for the identification of events or conditions that may cast a significant doubt on the ability of the Group to continue as a going concern, and whether a material uncertainty related to going concern exists;
- Assessing the period of assessment used by management when considering the basis of preparation for the Group accounts;
- Performing retrospective review and testing the mathematical accuracy of management's model and the key assumptions used by management when making their going concern assessment;
- Reviewing and assessing the funding structure, availability of finance and covenant compliance;
- Holding discussions with Directors and management on the key assumptions made in the forecasts and budgets;
- Considering potential downside scenarios and the resultant impact on available funds; and
- Reviewing disclosures relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be USD 2.5 million (2022: USD 2.4 million). In determining this, we utilised approximately 2.7% of adjusted EBITDA (a key performance measure used by the Group), for the financial year. Materiality for the Parent Company financial statements as a whole was set at USD 1.0 million (2022: USD 1.0 million) based on 0.3% of net assets.

Independent auditor's report continued

to the members of Team Internet Group Plc

Overview of our audit approach continued

Materiality continued

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. For the Group, performance materiality was set at USD 1.75 million (2022: USD 1.68 million) and USD 0.7 million (2022: USD 0.7 million) for the Parent Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and Directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of USD 0.125 million (2022: USD 0.12 million). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, ("primary team"). For the full scope and material entities, components in Australia, France, Germany, Israel, Poland and Slovakia where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

The primary team led by the Senior Statutory Auditor was ultimately responsible for the scope and direction of the audit process. The primary team interacted regularly with the component teams across all stages of the audit, reviewed working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us sufficient and appropriate evidence for our opinion on the Group financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified going concern as a key audit matter and have detailed our response in the conclusions relating to going concern section above. We set out below other matters we identified as key audit matters.

This is not a complete list of all risks identified by our audit.

Independent auditor's report continued

to the members of Team Internet Group Plc

Overview of our audit approach continued

Key audit matters continued

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition (see note 5, 6)	
Revenue is recognised in accordance with the accounting policy set out in the financial statements. We focus on the risk of material misstatement in the recognition of revenue, as a result of both fraud and error, because revenue is material and is an important determinant of the Group's profitability, which has a consequent impact on its share price performance. The Group's operating revenue which comprises registry, retail, corporate and monetisation revenues amounted to USD 837 million for the year ended 31 December 2023. The key revenue recognition risks are in respect of the following: • appropriate recognition of revenue in accordance with the stated policies, ensuring satisfaction of the respective performance obligations of each revenue stream; • application of appropriate cut-off for the recognition of revenue in the correct period including accrued and deferred revenue balances in line with contractual performance obligations; • completeness of revenue; and • segmental recognition and classification of revenue.	We obtained an understanding of the revenue agreements and evaluated the Group's processes and controls in place to calculate the amount and timing of subscription and activity-based revenue transactions. We performed the following audit procedures on a sample basis, for both existing and new contracts, having regard to satisfaction of performance obligations, to assess the appropriateness of revenue recognition for individual transactions: • assessed the appropriateness of the allocation of various revenue elements with reference to the terms of the contract; • ensured for a sample of revenue items that revenue recognised from subscription fees was supported by signed contracts; • assessed the existence and recoverability of debtors through testing a sample of revenue items to contracts, cash received where applicable and a review of credit notes issued after year end; • validating that revenue was recognised in the correct period, agreeing back to supporting documentation the period in which the services were delivered including the assessment of contractual liabilities and the contract price; • assessed revenue recognition policies for consistency and compliance with IFRS 15: Revenue from contracts with customers; • validating that revenue is recognised in accordance with the stated accounting policies in compliance with IFRS; and • reviewed revenue segmental classifications to ensure compliance with revenue recognition policies. In our instructions to component auditors, our discussions with them, our review of their files and our assessment of their reporting, we examined and evaluated the work undertaken and their conclusions in respect of revenue recognition. We concluded that revenue was reasonably stated.

Independent auditor's report continued

to the members of Team Internet Group Plc

Overview of our audit approach continued

Key audit matters continued

Key audit matter	How the scope of our audit addressed the key audit matter
Carrying value of goodwill and intangible assets (see note 14)	
The Group has an intangible assets balance of USD 327.0 million, (of which USD 216.6 million relates to goodwill), at 31 December 2023 and there is a risk that these assets could be impaired. The valuation of the recoverable amount of goodwill and other intangible assets has a high degree of estimation uncertainty, with a potential range of reasonably possible outcomes which may indicate the need for impairment. There is significant judgement with regard to assumptions and estimates involved in forecasting future cash flows, which form the basis of the assessment of the recoverability of goodwill balances. These include forecast revenues, operating margin, long-term growth rates and the discount rate used. The financial statements disclose the sensitivity estimated by the Group. We considered the risk that goodwill, investments and/or intangible assets were impaired.	Our procedures included: • assessing the Group's internal control environment around budgeting review and approval procedures upon which the cash flow forecasts are based; • reviewing, challenging and considering management's impairment model, their key estimates, including the discount rate. Reviewed and challenged management's assessment of the CGUs; • comparing the Group's assumptions to externally derived data in relation to key inputs such as long-term growth rates and pre-tax discount rates. Considering accuracy by performing retrospective review and confirming mathematical accuracy of the forecasts; • engaging an internal valuation specialist to review the discount rates. Performing sensitivity analysis on key assumptions such as growth, margin and discount rates including changes to, and breakeven analysis on, the discount rate; • assessing whether the Group's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflected the risks inherent in the valuation of goodwill; and • assessing disclosures in relation to identified impairments. We found the resulting estimate of the recoverable amount of goodwill and intangible assets to be acceptable.

Independent auditor’s report continued

to the members of Team Internet Group Plc

Overview of our audit approach continued

Key audit matters continued

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation of investments in the Parent Company (see note 7 – Parent Company)	
We consider the carrying value of investments in subsidiaries by the Parent Company and the risk over potential impairment to be a significant audit risk due to the inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability. At 31 December 2023 the carrying value of investments was USD 83.7 million. We consider the key inputs into the impairment model to be the approved business plans and assumptions for the growth and discount rates.	Our procedures included: • assessing the Parent Company’s budgeting review and approval procedures upon which the cash flow forecasts are based; • reviewing, challenging and considering management’s forecast, their key estimates, including the discount rate; • comparing the assumptions to externally derived data in relation to key inputs such as long-term growth rates and pre-tax discount rates. Considering accuracy by performing retrospective review and confirming mathematical accuracy of the forecasts; and • comparing the carrying value of the investments to the value-in-use of subsidiaries to ensure these are appropriately valued. We found the resulting estimate of the recoverable amount of investments to be acceptable.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Independent auditor's report continued

to the members of Team Internet Group Plc

Other information

The Directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Directors

As explained more fully in the Directors' responsibilities statement set out on page 81, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report continued

to the members of Team Internet Group Plc

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Group and Parent Company operates. We obtained specialist advice for non-U.K. jurisdictions that have a direct effect on the determination of material amounts and disclosures in the financial statements via the use of component auditors. We also considered and obtained an understanding of the U.K. legal and regulatory framework which we considered in this context were the Companies Act 2006 and U.K. taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: **www.frc.org.uk/auditorsresponsibilities.** This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Leo Malkin

(Senior Statutory Auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

15 March 2024

Consolidated statement of comprehensive income

for the year ended 31 December 2023

	Note	2023 USD m	2022 USD m
Revenue	5, 6	**836.9**	728.2
Cost of sales		**(645.8)**	(550.5)
Gross profit		**191.1**	177.7
Operating expenses		**(144.3)**	(138.4)
Share-based payment expenses		**(4.5)**	(5.7)
Operating profit		**42.3**	33.6
Adjusted EBITDA(1)		**96.4**	86.0
Depreciation of property, plant and equipment	13	**(3.3)**	(3.0)
Amortisation and impairment of intangible assets	14	**(38.8)**	(36.4)
Non-core operating expenses(2)	7	**(6.1)**	(8.2)
Foreign exchange		**(1.4)**	0.9
Share-based payment expenses		**(4.5)**	(5.7)
Operating profit		**42.3**	33.6
Finance income	10	**0.6**	—
Finance costs	10	**(13.6)**	(13.2)
Foreign exchange loss on borrowings	10	**—**	(5.6)
Net finance costs		**(13.0)**	(18.8)
Profit before tax	8, 11	**29.3**	14.8
Income tax	11	**(5.0)**	(16.9)
Profit/(loss) after tax		**24.3**	(2.1)
Exchange differences on translation of foreign operations		**4.7**	(13.7)
Gain arising on changes in fair value of hedging instruments		**—**	6.2
Total comprehensive profit/(loss) for the period		**29.0**	(9.6)

	Note	2023 Cents	2022 Cents
Earnings per share			
Basic	12	**8.94**	(0.78)
Diluted	12	**8.63**	(0.78)

(1) Parent and subsidiary earnings before interest, tax, depreciation, amortisation and impairment, non-cash charges and non-core operating expenses.

(2) 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.

All amounts relate to continuing activities.

The notes on pages 93 to 123 form an integral part of these financial statements.

Consolidated statement of financial position

as at 31 December 2023

	Note	2023 USD m	2022 USD m
ASSETS			
Non-current assets			
Property, plant and equipment	13	**2.6**	1.8
Right-of-use assets	13, 26	**4.6**	5.5
Intangible assets	14	**327.0**	347.9
Other non-current assets	15	**0.1**	0.3
Deferred tax assets	20	**12.8**	9.5
		347.1	365.0
Current assets			
Trade and other receivables	16	**106.7**	98.2
Inventory		**0.2**	0.6
Cash and bank balances	17	**92.7**	94.8
		199.6	193.6
Total assets		**546.7**	558.6

	Note	2023 USD m	2022 USD m
EQUITY AND LIABILITIES			
Equity			
Share capital	18	**0.3**	0.3
Share premium		**—**	98.3
Merger relief reserve		**5.3**	5.3
Share-based payment reserve		**25.7**	24.1
Cash flow hedging reserve		**(0.2)**	(0.2)
Foreign exchange translation reserve		**(6.1)**	(10.8)
Retained earnings		**128.5**	50.0
Total equity		**153.5**	167.0
Non-current liabilities			
Other payables	19	**5.8**	13.9
Lease liabilities	26	**3.2**	3.8
Deferred tax liabilities	20	**28.0**	30.2
Borrowings	22	**147.7**	145.9
Derivative financial instruments	23	**0.2**	0.2
		184.9	194.0
Current liabilities			
Trade, other payables and accruals	21	**187.8**	190.3
Lease liabilities	26	**1.6**	1.9
Borrowings	22	**18.9**	5.3
Derivative financial instruments	23	**—**	0.1
		208.3	197.6
Total liabilities		**393.2**	391.6
Total equity and liabilities		**546.7**	558.6

These financial statements were approved and authorised for issue by the Board of Directors on 15 March 2024 and were signed on its behalf by:

Iain McDonald
Chairman

Company Number: 08576358

The notes on pages 93 to 123 form an integral part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2023

	Share capital USD m	Share premium USD m	Merger relief reserve USD m	Share-based payment reserve USD m	Cash-flow hedging reserve USD m	Foreign exchange translation reserve USD m	Retained earnings USD m	Equity attributable to owners of the Parent Company USD m
Balance as at 31 December 2021	0.3	39.8	5.3	19.5	(6.4)	2.9	52.5	113.9
Loss for the year	—	—	—	—	—	—	(2.1)	(2.1)
Other comprehensive income								
Translation of foreign operations	—	—	—	—	—	(13.7)	—	(13.7)
Gain arising on changes in fair value of hedging instruments	—	—	—	—	6.2	—	—	6.2
Total comprehensive loss for the year	—	—	—	—	6.2	(13.7)	(2.1)	(9.6)
Transactions with owners								
Issue of share capital	—	59.6	—	—	—	—	—	59.6
Share issue costs	—	(1.1)	—	—	—	—	—	(1.1)
Repurchase of shares	—	—	—	—	—	—	(0.4)	(0.4)
Share-based payments	—	—	—	4.7		—	—	4.7
Share-based payments – deferred tax	—	—	—	(0.1)	—	—	—	(0.1)
Balance as at 31 December 2022	0.3	98.3	5.3	24.1	(0.2)	(10.8)	50.0	167.0
Profit for the year	—	—	—	—	—	—	24.3	24.3
Other comprehensive income								
Translation of foreign operations	—	—	—	—	—	4.7	—	4.7
Total comprehensive profit for the year	—	—	—	—	—	4.7	24.3	29.0
Transactions with owners								
Dividends paid on equity shares	—	—	—	—	—	—	(3.6)	(3.6)
Cancellation of share premium	—	(98.3)	—	—	—	—	98.3	—
Repurchase of shares	—	—	—	—	—	—	(40.5)	(40.5)
Share-based payments	—	—	—	3.2	—	—	—	3.2
Share-based payments – deferred tax	—	—	—	(1.6)	—	—	—	(1.6)
Balance as at 31 December 2023	**0.3**	**—**	**5.3**	**25.7**	**(0.2)**	**(6.1)**	**128.5**	**153.5**

- 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. The Company's share premium was cancelled in full during the year.
- 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 share issue costs and other permitted reductions, where the consideration for shares in another company includes issued shares, and 90% of the equity is held in the other company.
- Share-based payments reserve represents the cumulative value of share-based payments, excluding related employment taxes, recognised through equity and deferred tax assets arising thereon.
- Cash flow hedging reserve represents the effective portion of changes in the fair value of derivatives.
- Foreign exchange translation reserve represents 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 Group.

The notes on pages 93 to 123 form an integral part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2023

	2023 USD m	2022 USD m
Cash flow from operating activities		
Profit before taxation	**29.3**	14.8
Adjustments for:		
Depreciation of property, plant and equipment	**3.3**	3.0
Amortisation and impairment of intangible assets	**38.8**	36.4
Finance costs (net)	**13.0**	18.8
Share-based payments	**4.5**	5.7
Increase in trade and other receivables	**(8.5)**	(9.8)
Increase in trade and other payables and accruals	**0.2**	16.9
Decrease in inventories	**0.4**	0.2
Cash flow from operations	**81.0**	86.0
Income tax paid	**(5.6)**	(8.4)
Net cash flow generated from operating activities	**75.4**	77.6
Cash flow used in investing activities		
Purchase of property, plant and equipment	**(1.9)**	(1.3)
Purchase of intangible assets	**(8.3)**	(5.2)
Payment of deferred consideration	**(21.5)**	(2.7)
Proceeds from disposal of investments	**—**	0.1
Acquisition of subsidiaries and domain portfolio assets, net of cash acquired	**(5.6)**	(81.5)
Net cash flow used in investing activities	**(37.3)**	(90.6)

	2023 USD m	2022 USD m
Cash flow generated from/(used in) financing activities		
Proceeds from borrowings	**—**	185.5
Settlement of forward foreign exchange contracts	**—**	(25.5)
Repayment of bond financing	**—**	(128.6)
Drawdown (repayment) of revolving credit facility	**15.0**	(18.8)
Bank finance arrangement fees	**(0.7)**	(3.4)
Accrued interest received on bond tap	**—**	0.4
Bond finance arrangement fees	**—**	(0.8)
Proceeds from issuance of ordinary shares (net)	**—**	58.6
Payment of dividend to ordinary Shareholders	**(3.6)**	—
Repurchase of ordinary shares	**(39.7)**	(0.4)
Lease principal repayments	**(2.3)**	(2.2)
Interest paid	**(12.1)**	(7.8)
Net cash flow (used in)/generated from financing activities	**(43.4)**	57.0
Net (decrease)/increase in cash and cash equivalents	**(5.3)**	44.0
Cash and cash equivalents at beginning of the year	**94.8**	56.1
Exchange gains/(losses) on cash and cash equivalents	**3.2**	(5.3)
Cash and cash equivalents at end of the year	**92.7**	94.8

The notes on pages 93 to 123 form an integral part of these financial statements.

Notes to the consolidated financial statements

for the year ended 31 December 2023

1. General information

(a) Nature of operations

Team Internet Group Plc is the UK holding company of a group of companies whose principal activities create meaningful and successful connections from businesses to domains, brands to consumers, publishers to advertisers, enabling everyone to realise their digital ambitions. 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.

(b) Component undertakings

The principal activities of the subsidiaries and other entities included in the financial statements are presented within the particulars of subsidiaries on pages 129 to 132 of these financial statements.

2. Application of IFRS

(a) Basis of preparation

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and in accordance with the Companies Act 2006 as applicable to companies reporting under international accounting standards. As applied to the Group, there are no material differences from International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB); therefore, the financial statements have been prepared in accordance with IFRS as issued by the IASB. The financial statements have been prepared under the historical cost convention except for those financial instruments measured at fair value which have been measured at fair value through profit and loss. Those accounting policies have been applied consistently in all periods.

The financial statements are measured and presented in USD rounded to the nearest USD 0.1 million, unless otherwise stated, which is the currency of the primary economic environment in which many of the entities operate.

The financial statements have been prepared on the going concern basis, which assumes that the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 1 to 63. The principal risks of the Group are set out on pages 60 to 63. In addition, note 28 includes the Group's financial risk management objectives and exposures to liquidity and other financial risks. The Directors have considered these areas alongside the principal risks and how they may impact the going concern assessment.

The Directors' going concern review also included consideration of a severe but plausible downside scenario in relation to market risk, which would lead to a downturn in customer demand compared to the Group's forecasts. The Directors consider the scenario to be remote and it is worth noting that significant covenant headroom on its credit facilities is still retained under this scenario.

As at 31 December 2023, the Group had access to over USD 172.7 million of liquidity, comprising cash and cash equivalents of USD 92.7 million and access to an undrawn Revolving Credit Facility (RCF) of USD 80.0 million. In considering whether the Group's financial statements can be prepared on a going concern basis, the Directors have reviewed the Group's business activities together with factors likely to affect its performance, financial position and access to liquidity, including consideration of financial covenants.

The Group has net current liabilities of USD 8.7 million at 31 December 2023. Current liabilities includes USD 42.4 million of liabilities not expected to result in a cash outflow in 2024. These liabilities consist of USD 20.0 million borrowed under the RCF, which is renewed on a periodic basis as required, maturing partly in 2026 and partly in 2027 (see note 22) and USD 22.4 million (2022: USD 23.4 million) of deferred revenue and payments received on account from customers. Excluding these liabilities, the Group has net current assets of USD 33.7 million.

Based on the Group's liquidity position and cash flow projections, including a forward-looking severe but plausible downside scenario, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and therefore believe that the Group is well placed to manage its risks successfully in line with its business model and strategic aims. Accordingly, they continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 31 December 2023.

(b) Standards adopted in the year

There have been no standards adopted that have had a material impact on the financial statements and no standards adopted in advance of their implementation date.

(c) Standards, amendments and interpretations to published standards not yet effective

The Directors have considered those standards and interpretations, which have not been applied in the financial statements but are relevant to the Group's operations, that are in issue but not yet effective. Based on a preliminary review of the amendments to IAS 1: Presentation of Financial Statements, effective for periods commencing 1 January 2024, the Directors' assessment is that amounts drawn from the Group's revolving credit facilities will be classified as non-current liabilities in the financial statements for the year ended 31 December 2024. This is because the Group has the right to defer payment for at least twelve months from the date of the financial statements. These amendments are expected to be applied retrospectively, with comparative figures restated. In the financial statements for the year ended 31 December 2023, the drawn revolving credit facilities of USD 18.9 million (including prepaid finance costs) are classified as current liabilities. Other standards are not expected to have a material impact on the future financial statements of the Group.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

3. Summary of material accounting policies

The financial statements have been prepared on the historical cost basis except for certain financial instruments at fair value, as explained in the accounting policies set out below, which have been prepared in accordance with IFRS. The principal accounting policies are set out below:

(a) Basis of consolidation

The consolidated financial statements include the financial statements of all subsidiaries. The financial year ends of all entities in the Group are coterminous.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control over the operating and financial decisions is obtained, and cease to be consolidated from the date on which control is transferred out of the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All intercompany balances and transactions, including recognised gains arising from inter-group transactions, have been eliminated in full. Unrealised losses are eliminated in the same manner as recognised gains except to the extent that they provide evidence of impairment.

(b) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in operating expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Contingent consideration is included in the cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(c) Functional and foreign currencies

(i) Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in USD given that more than half of the Group's trade is in USD and the industries in which the Group operates predominantly trades in USD.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign currency gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement, except where deferred in other comprehensive income as qualifying cash flow hedges and qualifying net-investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within finance income or finance costs. All other foreign exchange gains and losses are recognised in profit and loss within operating expenses.

(iii) Group companies

The results and financial position of all of the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

a) assets and liabilities for each statement of financial position are translated at the closing rate at the date of that statement of financial position;
b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing at the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
c) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, the exchange differences arising from the translation of any investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

3. Summary of material accounting policies continued

(c) Functional and foreign currencies continued

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(d) Financial instruments

Financial assets and liabilities are recognised in the statements of financial position when any entity within the Group becomes a party to the contractual provisions of the instruments.

The Group's financial assets and liabilities are initially measured at fair value plus any directly attributable transaction costs.

The carrying value of the Group's financial assets (primarily cash and bank balances, and trade and other receivables) and liabilities (primarily trade payables and other accrued expenses) approximate their fair values.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies its financial assets into one of the categories discussed below. The Group's accounting policy for each category is as follows:

(i) Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus those transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being shown as an impairment charge in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those financial assets where the credit risk has not increased significantly since initial recognition, twelve months of expected credit losses along with gross interest income are recognised. For those financial assets for which credit risk has increased significantly since initial recognition, lifetime expected credit losses along with the gross interest income are recognised. For those financial assets that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

(ii) Financial liabilities and equity instruments

Financial liabilities are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial liabilities are reported in profit or loss. Distributions to holders of financial liabilities are classified as equity and charged directly to equity.

Financial liabilities

Financial liabilities comprise long-term borrowings, short-term borrowings, trade payables, deferred consideration and lease liabilities, measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Costs relating to new financing arrangements are initially recorded as a deduction from the bond liability on the statement of financial position, and subsequently expensed to the consolidated statement of profit and loss over the life of the bond using the straight-line method.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

3. Summary of material accounting policies continued

(d) Financial instruments continued

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Final dividends are recognised as liabilities when approved by Shareholders. Interim dividends are recognised when paid.

Dividends proposed or declared after the reporting date, but before the financial statements have been authorised for issue, are not recognised as a liability at the reporting date. However, the details of these dividends are disclosed in the notes in accordance with IAS 1.

(iv) Derivative financial instruments and cash flow hedges

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risks. Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both a legally enforceable right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than twelve months and it is not due to be realised or settled within twelve months.

Hedge accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk as cash flow hedges. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again. The Group designates the full change in the fair value of a forward contract (i.e. including the forward elements) as the hedging instrument for all of its hedging relationships involving forward contracts.

Cash flow hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Furthermore, if the Group expects that some or all of the loss accumulated in the cash flow hedging reserve will not be recovered in the future, that amount is immediately reclassified to profit or loss. The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in other comprehensive income and accumulated in the cash flow hedging reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss.

(e) Property, plant and equipment

Property, plant and equipment, including leasehold improvements and office furniture and equipment, are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated using the methods below to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:

Computer equipment: reducing balance 33.33-50% and straight-line 20-33.33%.

Furniture and fittings: reducing balance 20-30% and straight-line 10-33.33%.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the asset.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

3. Summary of material accounting policies continued

(e) Property, plant and equipment continued

Subsequent component replacement costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

(f) Intangible assets

Domain name intangible assets represent amounts paid to acquire the rights to own and act as registrant for a portfolio of domain names. Capitalised domain names have a finite useful life and are measured at cost less accumulated amortisation and impairment losses, if any. Domain names not held for resale are included in the statement of financial position at amortised cost and classified as 'domain names' and amortised over their useful lives. Domain names held for resale are included in the statement of financial position at the lower of cost and net realisable value and classified as inventory held for sale with no amortisation charged. If a decision is taken to sell a domain name previously included in intangible assets it is reclassified as inventory at net book value prior to sale.

Development costs that the Group incurs on the development of identifiable and unique software will be capitalised where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated that the asset will probably generate future economic benefits;
- the expenditure attributable to the software product during its development can be reliably measured; and
- that there are adequate technical and finance resources available to complete the development.

Costs capitalised in relation to computer software development may relate to either:

- completely separable software; or
- enhancements of existing software which are clearly identifiable as new modules within the system or new features which enable the asset to generate additional future economic benefit. For the avoidance of doubt, this excludes any ongoing maintenance to the existing software.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the assets are ready for use.

Research and development expenditure that does not meet the criteria above is recognised as an expense as incurred.

Development costs previously recognised as an expense cannot be recognised as an asset in a subsequent period.

Development costs acquired as part of the acquisition of Team Internet are amortised over three to five years.

Directly attributable costs that are capitalised as part of software include employee costs and an appropriate portion of relevant overheads. Computer software development costs recognised as assets are amortised over their estimated useful lives as determined by the Directors.

Costs for development initiatives that the Group undertakes that are not otherwise allocable to specific domain names or projects are expensed through the consolidated statement of comprehensive income as incurred.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of comprehensive income in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets are tested for impairment annually if facts and circumstances indicate that impairment may exist. In the event that the expected future economic benefits of the intangible assets are no longer probable or expected to be recovered, the capitalised amounts are written down to their recoverable amount through the consolidated statement of comprehensive income.

The principal amortisation periods are: Domain names: 5 to 6 years straight-line, Software: 3 to 5 years straight-line, Customer lists: 3 to 13 years straight-line, Patents and trademarks: 10 to 15 years straight-line and Intellectual property: 2 to 3 years straight-line.

(g) Impairment of non-financial assets

The carrying values of non-financial assets, other than deferred tax assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of the asset is the higher of the asset's fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flows.

An impairment loss is recognised if the carrying value of the asset exceeds its recoverable amount and is recognised immediately in the consolidated statement of comprehensive income.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

3. Summary of material accounting policies continued

(g) Impairment of non-financial assets continued

In respect of assets other than goodwill, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised immediately in the consolidated statement of comprehensive income.

(h) Cash and cash equivalents

Cash and bank balances comprise of cash in hand, bank balances, deposits with financial institutions and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Employee benefits

Short-term employee benefits, including wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(j) Leases

Under IFRS 16, the Group recognises right-of-use assets and corresponding lease liabilities for most leases by recording them on the statement of financial position.

At inception, or on assessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices. However, for leases of properties, the Group does not separate non-lease components and instead accounts for the lease and non-lease components as one single lease component.

The Group's leases primarily relate to properties and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Property leases will often include extension and termination options, open market rent reviews, and uplifts.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the individual lessee company's incremental borrowing rate taking into account the duration of the lease.

The lease liability is subsequently measured at amortised cost using the effective interest method, with the finance cost charged to the consolidated statement of comprehensive income over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability. It is remeasured when there is a change in future lease payments arising from a change in index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option. The lease liability is recalculated using a revised discount rate if the lease term changes as a result of a modification or re-assessment of an extension or termination option.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The right-of-use asset is typically depreciated on a straight-line basis over the lease terms. In addition, the right-of-use asset may be adjusted for certain remeasurements of the lease liability, such as indexation and market rent review uplifts. Please refer to note 26 for further details.

(k) Taxation

Taxation for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs, or from the initial recognition of an asset or liability in a transaction which is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity, and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

3. Summary of material accounting policies continued

(l) Share-based payments

Employees (including Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby these individuals render services as consideration for equity instruments (equity-settled transactions). These individuals are granted share option rights approved by the Board which can only be settled in shares of the Company. No cash-settled awards have been made or are planned.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award (vesting point). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments and value that will ultimately vest. The statement of comprehensive income charge for the year represents the movement in the cumulative expense recognised as at the beginning and end of that period.

The fair value of share-based remuneration is determined at the date of grant and recognised as an expense in the statement of comprehensive income on a straight-line (graded vesting) basis over the vesting period, taking account of the estimated number of shares that will vest. Where there are no market performance conditions included in the vesting conditions of the options, the Black-Scholes method has been used to determine the fair value of the options. As the options granted in the year have a nil exercise price, the fair value of the share options is not materially different to the share price on the option grant date, so the share price has been used as an approximation. For options where there are market performance conditions included in the vesting conditions of the options, these conditions are taken into account when determining the fair value of the options.

Accelerated share option charges are recognised for the Group's good leavers in advance of the vesting period. A 'good leaver' is defined as an employee who leaves the entity before the vesting date for circumstances outside the control of the employee – e.g. mandatory redundancy, death, retirement or inability to work because of an accident, disability or long-term illness. A good leaver may be treated by the entity like an employee who has provided the required services in full or pro rata to service completed to date and may therefore be entitled to receive the share-based payment either in full or pro rata without completing the full service period. Accordingly, the specified service period for a good leaver will end on the date on which they are entitled to receive the share-based payment under the good leaver clause.

Employment taxes borne by the Group in relation to share-based payments are expensed to the consolidated statement of profit and loss over the vesting period.

Share-based payment expenses are excluded from adjusted EBITDA because they primarily consist of non-cash expenses. Adjusted EBITDA focuses on operating profitability, and excluding share-based compensation provides a clearer picture of a company's core operational performance by eliminating non-cash items.

(m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when, as a result of a past event, the Group has a present legal or constructive obligation, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each financial reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required, or the amount of obligation cannot be measured reliably. A contingent liability is not recognised in the financial statements but is disclosed in the notes to the financial statements. When a change in the probability of a contingent outflow occurs so that the outflow is probable, a liability will be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group. The Group does not recognise contingent assets but discloses their existence where inflows of economic benefits are probable, but not virtually certain.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

3. Summary of material accounting policies continued

(n) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the course of ordinary activities, net of discounts and sales-related taxes.

The Group has two segments: Online Marketing and Online Presence. The Online Marketing segment creates privacy-safe AI-based customer journeys that help online consumers make informed choices. 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. Please refer to note 5 for further details.

In accordance with IFRS 15, a customer contract is evaluated and the performance obligation or obligations required to be met under that customer contract is/are identified. The transaction price is determined and allocated to the performance obligation(s). Revenue is recognised on fulfilment of the performance obligations. Payments from customers in excess of invoiced amounts are recognised as a liability within customer payments on account in the statement of financial position.

The following table summarises the nature, amounts and timing of revenue for the Group's segments.

Segment	Nature of revenue	Timing of satisfaction of performance obligations	Revenue recognised as 'Agent' (net) or 'Principal' (gross)
Online Marketing	The Group creates privacy-safe and AI-generated consumer journeys that converts general internet and online media users into confident, high-intent customers through advertorial and review websites. Revenue is generated through its partners by providing them with this high-quality online customer traffic.	Revenue is recognised upon either a chargeable click on the advertiser's ad on the publisher's domain or a chargeable redirect from the publisher's domain to the advertiser's website.	Principal (gross)
Online Presence			
Reseller	**a) Indirect sales of services for domain names to registrars (reseller channel)** – revenues are derived by facilitating the sale of domain names and associated digital subscription products to registrars by acting as a wholesale platform provider; **b) Direct sale of services for domain names to domain registrants via the following three channels:** (i) **retail channel – revenues** are from the provision of retail and similar services to domain registrants with sub-revenue streams being those of new registrations and renewals. Revenues originate when a transaction is generated on the service registry platform by the customer; (ii) **computer software channel** – revenues arise from the provision of computer software; and (iii) **strategic consultancy and similar services** – revenues arise from the provision of corporate strategic consulting services.	Performance obligations are fulfilled upon the sale of the domain name. Invoices for this channel may encompass a license for utilising the domain name for a variable term (one to ten years). Despite the term variability, all performance obligations are satisfied at the sale point, with no deferred revenue. **Retail channel** – Performance obligations are fulfilled upon the sale of the domain name. Invoices for this segment may include a license for utilising the domain name for a fixed term, ranging from one to ten years. Despite the term variability, all performance obligations are satisfied at the point of sale, resulting in no deferred revenue. **Computer software channel** – Requires the delivery of software, along with any required adaptations, can be treated as a single performance obligation within the overall contract or as separate milestone deliverables. Revenue is recognised at the point of fulfilling the relevant performance obligation as outlined in the customer contract. **Strategic consultancy and similar services** – Customer contract typically encompass a wide range of consultancy services to be delivered over varying durations. Performance obligations are met incrementally as the work is completed. Revenue is recognised based on the completion of work performed to date, represented as a percentage of the total services to be provided.	Principal (gross)

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

3. Summary of material accounting policies continued

(n) Revenue recognition continued

Segment	Nature of revenue	Timing of satisfaction of performance obligations	Revenue recognised as 'Agent' (net) or 'Principal' (gross)
Registry — sales of domain names to Registrars	— **Registry operator channel:** Team Internet is an asset holder for Country Code TLD 'SK' and generates revenues through sales of domain names with the '.SK' extension to registrars.	**Registry operator channel** – There are several performance obligations that need to be met over the term specified in the contract governing the sale of the domain name. An invoice under these channels could cover the sale of a domain name for a fixed term, which could vary between one and ten years, with the performance obligations expected to be fulfilled over the course of this term on a straight-line basis. Revenues that relate to the period in which the services are performed are recognised in the consolidated statement of comprehensive income of that period, with amounts relating to future periods recognised as a liability within deferred revenue.	Principal (gross)
	— **Registry service provider:** revenues are generated from the provision of services through the registry service provider mechanism. Team Internet operates as a back-end service provider for third-party TLDs on an exclusive basis, enabling the registrars to sell domain names to registrants. Revenue is earned either as a fixed fee or as an amount per domain transaction or percentage of sales for domain transactions.	**Registry service provider** – Fixed fees for the use of registry services are recognised over the period to which the fee relates. Revenue earned per domain transactions are recognised in the month the transaction takes place, as there are no ongoing performance obligations. Revenue is recognised as an 'agent' basis.	Agent (net)

(o) Inventories

Inventories consists of domain names which are initially recognised at cost and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Weighted average cost is used to determine the cost of ordinarily interchangeable items.

(p) Share buyback

Ordinary shares repurchased by the Company through share buyback programmes are accounted for as a charge to retained earnings in the consolidated statement of changes in equity.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

3. Summary of material accounting policies continued

(q) Alternative performance measures

The Group discloses and describes a number of alternative performance measures in this annual report. These are listed below:

(i) Adjusted EBITDA

The Group reports adjusted earnings before interest, tax, depreciation, amortisation and impairment, non-cash charges and non-core operating expenses ('Adjusted EBITDA'). This metric is widely used by internal and external stakeholders to assess the underlying profitability of a company. Non-cash charges relate to foreign exchange gains/losses and share-based payments.

Adjusted EBITDA is considered to be tax jurisdiction, capital structure, property plant and equipment asset and intangible asset agnostic, as well as providing a more appropriate measure of ongoing and underlying profitability.

(ii) Non-core operating expenses

Non-core operating expenses are disclosed and described separately in the consolidated financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are items of expense relating to projects that have been shown separately due to the significance of their nature or amount, which are generally outside the ordinary scope of business, are discretionary and non-recurring, and convey a future benefit. Acquisition and integration expenses are the most relevant items falling into this taxonomy.

(iii) Adjusted earnings per share

Adjusted earnings per share ('Adjusted EPS') is stated before amortisation and impairment, non-cash charges and non-core operating expenses to provide a widely used metric that provides a more appropriate measure of the ongoing and underlying earnings per share.

(iv) Net debt

The Group defines net debt as: gross cash, less bank debt and prepaid finance costs, and adding/subtracting bank debt-related hedging assets/liabilities as at the balance sheet date. The Group considers net debt an appropriate measure to determine its overall financial position and is a widely used metric by internal and external stakeholders to assess the solvency or liquidity of the Group.

(v) Organic revenue growth

Non-GAAP information has been provided for period-to-period comparison of revenue performance. Revenue for the entire comparative period is used, irrespective of when the acquisition by the Group arose, and adjustments have been made to the currency rates used for the comparative period to the most recent statement of financial position date to take account of currency fluctuations.

(vi) Revenue by geographical location of indirect consumer

There is a material difference between the geographical location of the indirect consumer and the invoiced customer. The Group therefore discloses the geographical location of both the indirect (end) consumer and the (direct) invoiced party.

4. Critical accounting judgements and key sources of estimating uncertainty

When applying the Group's accounting policies, described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. The estimates and assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements in the next twelve months:

Impairment testing and fair value assessment

The recoverable amounts of individual non-financial assets are determined based on the higher of the value-in-use and the fair value less costs to sell. These calculations will require the use of estimates and assumptions. It is reasonably possible that assumptions may change, which may impact the Directors' estimates and may then require a material adjustment to the carrying value of investments, property, plant and equipment and intangible assets.

The Directors review and test the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. For the purposes of performing impairment tests, assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets or liabilities. If there are indications that impairment may have occurred, estimates will be prepared of expected future cash flows for each group of assets.

For financial assets classified as 'fair value through other comprehensive income', the Directors review the appropriateness and reasonableness of the valuation technique(s) used to determine the fair value and ensure that corroborative support is obtained for (i) the assumptions used in preparing such valuations and the evaluation of the sensitivity in such assumptions, (ii) the evidence of indicators of a change in fair value, and (iii) the adjustments required if there are indications that a change in fair value has arisen.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

4. Critical accounting judgements and key sources of estimating uncertainty continued

Expected future cash flows used to determine the value-in-use of tangible and intangible assets will be inherently uncertain and could materially change over time. The discount rate used in the impairment testing for CGUs was between 10.6% and 13.7%, using the Capital Asset Pricing Model (CAPM), with a long-term growth rate of 2.0%. The carrying value of the Group's property, plant and equipment, and intangible assets are disclosed in notes 13 and 14 respectively.

Acquisition accounting and goodwill

Where the Group undertakes business combinations, the cost of acquisition is allocated to identifiable net assets and contingent liabilities acquired and assumed by reference to their estimated fair values at the time of acquisition. The remaining amount is recorded as goodwill. The valuation of identifiable net assets involves an element of judgement related to projected results. Fair values that are stated as provisional are not finalised at the reporting date and final fair values may be determined that are materially different from the provisional values stated.

In addition, the fair value of the deferred consideration arising on the business combination/acquisition is a key area of accounting estimate.

Judgement was exercised in determining the fair values of the assets, liabilities and deferred consideration in the 2023 acquisition. Further details are set out in note 24.

Deferred tax

Calculation and recognition of temporary differences giving rise to deferred tax assets requires estimates and judgements to be made on the extent to which future taxable profits are available against which these temporary differences can be utilised. A factor in the judgement as to whether future profits are available is the activities of the entities which determines the likelihood of achieving forecasted taxable profits and past history of taxable profits. Details of the deferred tax assets are shown in note 20.

5. Segment analysis

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 Group has two segments: Online Marketing and Online Presence. The Online Marketing segment creates privacy-safe AI-based customer journeys that help online consumers make informed choices. 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.

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

	2023		
	Online Marketing USD m	**Online Presence USD m**	**Total USD m**
Revenue	**657.1**	**179.8**	**836.9**
Cost of sales	**(525.4)**	**(120.4)**	**(645.8)**
Gross profit	**131.7**	**59.4**	**191.1**

	2022		
	Online Marketing USD m	Online Presence USD m	Total USD m
Revenue	574.7	153.5	728.2
Cost of sales	(449.6)	(100.9)	(550.5)
Gross profit	125.1	52.6	177.7

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

5. Segment analysis continued

The geographical locations of the non-current assets are as follows:

	2023 Non-current assets USD m	2022 Non-current assets USD m
Europe	**262.5**	282.5
Australasia	**35.2**	37.3
North America	**19.6**	19.9
UK	**13.6**	8.6
ROW	**16.2**	16.7
	347.1	365.0

6. Revenue

The Group's revenue is generated indirectly from consumers located in the following geographical areas:

	2023 USD m	2022 USD m
Americas	**444.5**	402.9
United States of America	**367.1**	341.4
Rest of Americas	**77.4**	61.5
Europe, Middle East & Africa (EMEA)	**326.2**	260.6
Germany	**100.2**	78.8
United Kingdom	**40.5**	31.2
France	**30.0**	21.7
Netherlands	**17.8**	15.7
Switzerland	**12.6**	10.1
Ireland	**3.0**	3.1
Luxembourg	**0.9**	0.8
Rest of EMEA	**121.2**	99.2
Asia Pacific (APAC)	**66.2**	64.7
Australia	**20.8**	19.7
Rest of APAC	**45.4**	45.0
Total revenue	**836.9**	728.2

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

6. Revenue continued

The Group's revenue is invoiced directly to the following geographical areas:

	2023 USD m	2022 USD m
Americas	**90.7**	71.2
United States of America	**80.7**	60.7
Rest of Americas	**10.0**	10.5
EMEA	**714.1**	626.9
Ireland	**559.2**	483.7
Germany	**38.8**	28.5
Luxembourg	**30.9**	33.0
Netherlands	**9.9**	9.2
United Kingdom	**8.6**	7.0
Switzerland	**8.5**	7.5
France	**8.1**	7.7
Rest of EMEA	**50.1**	50.3
APAC	**32.1**	30.1
Australia	**12.8**	13.0
Rest of APAC	**19.3**	17.1
Total revenue	**836.9**	728.2

The Group's revenue by segment, invoiced directly, is summarised below, based on geographical area:

	2023 USD m	2022 USD m
Online Marketing		
North America	**19.0**	18.5
Rest of Americas	**1.5**	0.9
Total Americas	**20.5**	19.4
EMEA	**626.5**	547.5
APAC	**10.1**	7.8
	657.1	574.7
Online Presence		
North America	**67.5**	49.3
Rest of Americas	**2.7**	2.2
Total Americas	**70.2**	51.5
EMEA	**87.6**	79.6
APAC	**22.0**	22.4
	179.8	153.5
All Revenue		
North America	**86.5**	67.8
Rest of Americas	**4.2**	3.1
Total Americas	**90.7**	70.9
EMEA	**714.1**	627.1
APAC	**32.1**	30.2
Total revenue	**836.9**	728.2

For the year ended 31 December 2023, there was one customer that represented more than 10% of the Group's revenue, amounting to USD 566.9 million (2022: USD 492.8 million) across two segments, Online Marketing: USD 558.9 million (2022: 483.2 million) and Online Presence: USD 8.0 million (2022: USD 9.6 million). The customer is an aggregator who does not procure the services for its own use but provides access to an estimated three to four million end customers who order and consume the services.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

7. Non-core operating expenses

	2023 USD m	2022 USD m
Acquisition-related costs	**1.0**	3.5
Integration and streamlining	**4.7**	4.0
Other costs	**0.4**	0.7
	6.1	8.2

- Acquisition-related costs relate to the acquisition of Adrenalads LLC (2022: related to the acquisitions of VGL Publishing AG, M.A Aporia Limited, Intellectual Property Management Company, Fireball Search GmbH and the .ruhr TLD).
- Integration and streamlining costs relate to activities undertaken to integrate acquisitions made in the current and prior years and to streamline business operations (2022: similar activities).
- Other costs relate to strategic business reviews (2022: strategic business reviews and payments made to a former Director).

8. Profit before taxation

The profit before taxation is stated after charging the following amounts:

	2023 USD m	2022 USD m
Employee benefit expense — wages and salaries	**51.8**	46.5
Employee benefit expense — social security	**7.7**	7.7
Employee benefit expense — pension and cash in lieu of pension	**1.1**	0.8
Employee benefit expense — share-based payment expenses (excluding key management personnel)	**1.9**	1.9
Staff consultancy fees	**6.9**	4.7
Employee benefit expenses and staff consultancy fees capitalised as development costs within software	**(4.2)**	(3.0)
Key management personnel compensation (note 9)	**5.6**	9.1
Fees payable to the Company's auditors and its associates for the audit of the Parent Company and the consolidated financial statements	**0.5**	0.5
Fees payable to the Company's auditor for audit-related assurance services	**0.1**	0.1
Depreciation of property, plant and equipment	**3.3**	3.0
Amortisation and impairment of intangible assets	**38.8**	36.4

9. Employee information

The average monthly number of persons employed by the Group (excluding Directors) during the year was 800 (2022: 726), analysed by category as follows:

	2023 Number	2022 Number
Management and finance	**127**	123
Technical	**258**	223
Sales and marketing	**187**	178
Administrative	**40**	41
Operations	**188**	161

Key management personnel

The total compensation costs of the Directors, who are considered to be the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24: Related Party Disclosures. Further information can be found in the remuneration report on pages 72 to 77.

	2023 Directors USD m	2022 Directors USD m
Salaries, fees and bonus	**2.2**	3.9
Social security	**0.1**	0.5
Cash in lieu of pension and other benefits	**0.1**	0.3
Pension	**0.1**	—
Share-based payment expenses	**2.6**	3.8
Payment in lieu of notice	**0.5**	0.6
	5.6	9.1

The Group made contributions to defined contribution personal pension schemes for two Directors in the period (2022: three). For the highest paid Director, the above table includes: wages and salaries of USD 0.6 million (2022: USD 0.6 million), bonus of USD 0.5 million (2022: USD 0.9 million), cash in lieu of pension and other benefits of USD 0.1 million (2022: USD 0.3 million), payment in lieu of notice USD nil (2022: USD 0.6 million), totalling USD 1.2 million (2022: USD 2.4 million).

The Group operates payrolls in several foreign subsidiaries and complies with local jurisdiction obligations. Directors are compensated through the payroll of the country in which those individuals fulfil their duties.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

10. Finance income and costs

	2023 USD m	2022 USD m
Finance income	**(0.6)**	–
Impact of unwinding of discount on net present value of deferred consideration[1]	**1.4**	1.0
Reappraisal of deferred consideration	**(2.8)**	(1.3)
Arrangement fees on borrowings	**1.4**	3.0
Interest on bank borrowings and bond interest	**13.5**	10.2
Interest expense on leases	**0.2**	0.2
(Gain)/loss arising on derivatives classified as fair value hedges	**(0.1)**	0.1
Foreign exchange loss on borrowings	**–**	5.6
Net finance costs	**13.0**	18.8

(1) The impact of deferred consideration on finance costs is discussed in detail in notes 19, 21 and 28.

11. Income tax expense

	2023 USD m	2022 USD m
Current tax on profits for the year	**13.9**	22.6
Adjustments in respect of prior years	**0.1**	0.3
Current income tax	**14.0**	22.9
Deferred income tax (note 20)	**(9.0)**	(6.0)
Income tax expense	**5.0**	16.9

A reconciliation of the income tax expense applicable to the profit before taxation at the statutory tax rate to the income tax expense at the effective tax rate of the Group is as follows:

	2023 USD m	2022 USD m
Profit before taxation	**29.3**	14.8
Tax calculated at domestic tax rates applicable to profits in the respective countries	**8.3**	4.8
Tax effects of:		
– Expenses not deductible for tax purposes	**3.1**	0.2
– Amortisation, impairment and depreciation	**(1.1)**	2.4
– Tax losses not recognised	**2.5**	8.6
– Utilisation of previously unrecognised tax losses	**(4.7)**	(1.4)
– Share-based payment expenses	**1.6**	1.4
– Withholding tax	**0.3**	0.2
– Other adjustments	**–**	0.4
– Deferred tax recognised on brought forward losses and other items	**(5.3)**	–
– Change in deferred tax rate	**0.2**	–
– Adjustments in respect of prior years	**0.1**	0.3
Income tax expense	**5.0**	16.9

The Group provides for income taxes on the basis of its income for financial reporting purposes, adjusted for items that are not assessable or deductible for income tax purposes in accordance with the regulations of domestic tax authorities.

The effective rate of tax for the Group can be significantly affected by the following items:

- the high level of non-cash charges, such as exchange gains/losses, which are mainly not deductible for income taxes in certain jurisdictions, and largely represent permanent differences between accounting and taxable profits;
- tax losses generated in some entities within the Group are not capable of being used by other entities in the Group, due to geographical locations or tax groupings, which are not capable of separate recognition as a deferred tax asset;
- the impact of some entities' profits being set off against goodwill amortisation in certain jurisdictions within their local GAAP financial statements;
- the diverse tax treatments of deferred consideration amounts applied in each jurisdiction; and
- deferred tax recognised on previously unrecognised tax losses.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

11. Income tax expense continued

The tax rates applicable in various jurisdictions (listed alphabetically) are:

- Australia: Standard corporate income tax rate is 30%. A 25% company tax rate applies to eligible companies with less than AUD 50 million of turnover;
- Brazil: Corporate income tax is assessed at the fixed rate of 15%, increased by a surtax of 10% on annual taxable profits exceeding BRL 240,000 (approximately USD 46,200). Exemption from, or reduction of, CIT is granted to businesses in certain underdeveloped areas. In addition, a Social Contribution Tax is levied at a general rate of 9%. The total effective tax rate on corporate profits is 34% (25% Corporate Income Tax, including the 10% surtax, plus 9% Social Contribution Tax);
- Canada: Corporations are taxed by the federal government and by one or more provinces or territories. The basic rate of federal corporate tax is reduced to 15% by an abatement of 10 percentage points on a corporation's taxable income earned in a province or territory and a general rate reduction of 13 percentage points on a corporation's full-rate taxable income. Provincial and territorial tax rates are added to the federal tax and generally vary between 8% and 16% of taxable income;
- Chile: The basic tax on income of a legal entity domiciled or resident in Chile and engaged in commerce, mining, fishing or industrial activities is the first category tax, which is assessed at a 25% rate for small to medium-sized entities and 27% rate for entities subject to the partially integrated system on the entity's worldwide income;
- France: As a general rule, the standard corporate tax rate is 25%. A social security surtax of 3.3% is assessed on the corporate income tax amount. This surtax is imposed on the portion of corporate tax due exceeding EUR 763,000 before offsetting the tax credits granted under tax treaties. The 3.3% surtax does not apply to companies whose annual turnover is lower than EUR 7,630,000 if at least 75% of the company is owned by individuals or by companies that themselves satisfy these conditions. Members of consolidated groups must take into account the global turnover of the Group to determine whether they reach the EUR 7,630,000 threshold;
- Germany: Federal taxes are due at 15% of taxable income, with an additional 5.5% solidarity surcharge due on the corporate income tax, resulting in an effective tax rate of 15.825%. Municipalities impose a trade tax on income, and taking into account the various municipality multipliers, the combined average tax rate for corporations (including corporate income tax, solidarity surcharge and trade tax) ranges from approximately 23% to 33%;
- Israel: The basic tax rate for companies is 23%. However, an Israeli company classified as a 'preferred technological enterprise' is entitled to a reduced tax rate of 12% on its 'preferred technological income';
- Luxembourg: Income tax is due at 17%. In addition, a surcharge of 7% is payable to the employment fund. A local income tax (municipal business tax) is also levied by the different municipalities. The rate varies depending on the municipality, with an average rate of 8.86%. The municipal business tax for Luxembourg City is 6.75%, and the maximum overall tax rate for companies in Luxembourg City is 24.94% (including corporate income tax, a solidarity surtax of 7% and a 6.75% municipal business tax);
- New Zealand: Income taxes are due at 28% of taxable income;
- Poland: Income tax is due at 19% (standard corporate tax rate) of taxable income, reduced in limited cases to 5% and 9%. The preferential 5% tax rate applies to 'qualified income' obtained from the qualifying intellectual property (IP) created, developed or improved by a taxpayer as part of its research and development (R&D) activity. The reduced 9% corporate income tax rate on income other than income from capital gains applies to small taxpayers whose revenue from sales did not exceed the zloty (PLN) equivalent of EUR 2 million in the preceding year (gross, including value-added tax (VAT) and in the current year (net, excluding VAT);
- Slovakia: Income tax is due at 21% (standard corporate tax rate) of taxable income. The rate can be reduced to 15%, applicable only on the so-called micro-entities whose taxable income does not exceed EUR 49,790;
- UK: The rate of corporation tax is 25% from 1 April 2023 (19% previously) for companies with profits of over GBP 250,000 per year. The small profits rate is 19% for companies with profits of less than GBP 50,000 per year. Companies with profits between the two thresholds receive marginal relief so that they pay a blended rate between 19% and 25%. The threshold limits are reduced if associated companies exist; and
- USA: Federal taxes are due at 21% of taxable income. Companies are also subject to a state tax that varies from state to state and generally ranges from 1% to 12%. Under California tax legislation, a statutory minimum of USD 800 of state tax is due.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

12. Earnings per share

Earnings per share has been calculated by dividing the consolidated profit/(loss) after taxation attributable to ordinary Shareholders by the weighted average number of ordinary shares in issue during the period, plus vested options, as these options have little or no exercise price, less shares held in treasury and by the Group's Employee Benefit Trust.

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 the unvested dilutive potential ordinary shares as calculated using the treasury stock method (arising from the Group's share option scheme) 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 prior year, the impact of the potential shares to be issued on exercise of share options would be anti-dilutive and therefore diluted earnings per share is reported on the same basis as basic earnings per share.

	2023 USD m	2022 USD m
Profit/(loss) after tax attributable to owners	**24.3**	(2.1)
Operating profit	**42.3**	33.6
Depreciation of property, plant and equipment	**3.3**	3.0
Amortisation and impairment of intangible assets	**38.8**	36.4
Non-core operating expenses	**6.1**	8.2
Foreign exchange losses/(gains)	**1.4**	(0.9)
Share-based payment expenses	**4.5**	5.7
Adjusted EBITDA	**96.4**	86.0
Depreciation	**(3.3)**	(3.0)
Net finance costs (excluding deferred consideration amounts, foreign exchange loss on borrowings and write-off of arrangement fees on borrowings – note 10)	**(15.9)**	(13.0)
Taxation	**(14.0)**	(22.9)
Adjusted earnings	**63.2**	47.1
Weighted average number of shares:		
Basic	**272,131,265**	268,207,663
Effect of dilutive potential ordinary shares	**9,869,695**	13,501,204
Diluted average number of shares	**282,000,960**	281,708,867
Earnings per share:		
Basic (cents)	**8.94**	(0.78)
Diluted (cents)	**8.63**	(0.78)
Adjusted earnings – basic (cents)[1]	**23.22**	17.56
Adjusted earnings – diluted (cents)[1]	**22.41**	16.72

(1) In line with 2023, adjusted earnings per share has been adjusted in 2022 to exclude deferred tax, which mainly relates to items adjusted for within amortisation.

Basic and diluted earnings per share have been impacted by amortisation charges, impairment of intangibles, non-core operating expenses, foreign exchange gains and losses and share-based payment expenses.

13. Property, plant and equipment

	Right-of-use assets USD m	Computer equipment USD m	Furniture and fittings USD m	Total USD m
Cost				
At 1 January 2022	10.5	3.5	0.7	14.7
Additions	0.2	0.8	0.3	1.3
Acquisition of subsidiary	0.9	0.1	—	1.0
Disposal	(0.1)	(0.3)	—	(0.4)
Exchange differences	(0.3)	(0.1)	—	(0.4)
At 31 December 2022	11.2	4.0	1.0	16.2
Additions	1.1	1.9	—	3.0
Acquisition of subsidiary	—	0.1	—	0.1
Disposal	—	(0.6)	(0.1)	(0.7)
Exchange differences	0.2	0.1	—	0.3
At 31 December 2023	**12.5**	**5.5**	**0.9**	**18.9**
Accumulated depreciation				
At 1 January 2022	3.7	2.0	0.3	6.0
Charge for the year	2.0	0.9	0.1	3.0
Disposals	(0.1)	(0.3)	—	(0.4)
Exchange differences	0.1	0.1	0.1	0.3
At 31 December 2022	5.7	2.7	0.5	8.9
Charge for the year	2.1	1.1	0.1	3.3
Disposals	—	(0.6)	(0.1)	(0.7)
Exchange differences	0.1	0.1	—	0.2
At 31 December 2023	**7.9**	**3.3**	**0.5**	**11.7**
Net book value				
At 31 December 2023	**4.6**	**2.2**	**0.4**	**7.2**
At 31 December 2022	5.5	1.3	0.5	7.3

Depreciation of property, plant and equipment is included in operating expenses in the consolidated statement of comprehensive income.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

14. Intangible assets

	Domain names USD m	Software USD m	Customer list USD m	Patents and trademarks USD m	Goodwill USD m	Intellectual property USD m	Total USD m
Cost or deemed cost							
At 1 January 2022	18.4	38.9	80.5	10.0	156.0	0.9	304.7
Additions	8.3	3.8	—	—	—	1.4	13.5
Acquisition of subsidiary	17.1	16.9	23.6	0.3	67.9	2.3	128.1
Exchange differences	(0.5)	(0.7)	(3.0)	(0.1)	(6.6)	(0.1)	(11.0)
At 31 December 2022	43.3	58.9	101.1	10.2	217.3	4.5	435.3
Additions	3.3	5.4	—	—	—	3.0	11.7
Acquisition of subsidiary	—	0.5	0.6	—	1.3	—	2.4
Re-assessment of contingent consideration	—	—	—	—	(2.1)	—	(2.1)
Exchange differences	0.8	0.7	1.9	—	3.7	0.3	7.4
At 31 December 2023	**47.4**	**65.5**	**103.6**	**10.2**	**220.2**	**7.8**	**454.7**
Amortisation and impairment							
At 1 January 2022	5.0	15.2	28.8	1.4	—	0.1	50.5
Charge for the year	5.8	10.8	12.8	0.8	—	1.1	31.3
Impairment	0.8	—	—	—	3.6	0.7	5.1
Exchange differences	—	(0.7)	1.1	0.1	—	—	0.5
At 31 December 2022	11.6	25.3	42.7	2.3	3.6	1.9	87.4
Charge for the year	7.7	12.9	14.6	0.9	—	2.0	38.1
Impairment	—	—	—	—	—	0.7	0.7
Exchange differences	0.3	0.4	0.7	—	—	0.1	1.5
At 31 December 2023	**19.6**	**38.6**	**58.0**	**3.2**	**3.6**	**4.7**	**127.7**
Net book value							
At 31 December 2023	**27.8**	**26.9**	**45.6**	**7.0**	**216.6**	**3.1**	**327.0**
At 31 December 2022	31.7	33.6	58.4	7.9	213.7	2.6	347.9

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

14. Intangible assets continued

Amortisation and useful economic life

The average remaining amortisation period of intangible assets is four years.

When testing for impairment, intangible assets are evaluated according to the cash-generating units (CGUs) to which they belong, which are specifically the typically identifiable entities in each acquisition.

An impairment charge in respect of intellectual property of USD 0.7 million has been recorded in the year. In the 2022 financial year, impairment charges of USD 0.8 million relating to domain name intangible assets, and of USD 0.7 million relating to intellectual property intangible assets, have been recorded in the year. The 2022 impairments relate to assets where materially all value-in-use has already been utilised. Consequently, these assets have been fully impaired.

In the 2022 financial year, the Group consolidated its product offering and customers migrated from the Group's AdTonic platform to its Zeropark platform. The useful economic life of AdTonic was reduced from five to two years, resulting in additional software amortisation of USD 0.6 million in the 2022 financial year.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at closing foreign exchange rates. Amortisation of intangible assets is included in operating expenses in the consolidated statement of comprehensive income.

Goodwill and customer lists

The Group tests goodwill recognised through business combinations annually for impairment. Additions to goodwill arose through the business combinations outlined in note 24. The carrying value of goodwill and the customer list is allocated to the respective segments within the CGUs as follows:

	Customer list		Goodwill	
	2023 USD m	2022 USD m	**2023 USD m**	2022 USD m
Online Marketing	**26.7**	34.0	**111.0**	109.4
Online Presence	**18.9**	24.4	**105.6**	104.3
Total carrying value	**45.6**	58.4	**216.6**	213.7

The recoverable amount of goodwill at 31 December 2023 of USD 216.6 million (2022: USD 213.7 million) is determined based on a value-in-use calculation using cash flow projections from financial budgets approved by key management personnel covering a one-year period for 2024, and a three-year plan covering the financial periods 2025 to 2027. Cash flow projections beyond the 2027 time frame are extrapolated by applying a flat growth rate into perpetuity of 2.0% (2022: 2.0%). These long-term growth rates are based on historical trends, expected return on investments, and management's judgement, experience and discretion. The pre-tax discount rate applied to the cash flow projections range between 10.6% and 13.7% (2022: 11%).

Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. Post-tax discount rates used are derived from the reference to an industry peer group of quoted companies' weighted average cost of capital (WACC), with appropriate adjustments for currency and country risks specific to the CGU, and country-specific tax rates. The post-tax WACC is subsequently grossed up to a pre-tax rate.

No goodwill impairment charge has arisen in the 2023 financial year.

In 2022, a goodwill impairment charge of USD 3.6 million was recorded in goodwill for a CGU operating in the Online Presence segment that operates within business operations of three entities in Australia and New Zealand, namely Domain Directors Pty Limited, CentralNic NZ Limited and Ideegeo Group Limited, which are collectively considered to be the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The impairment loss was largely driven by changes introduced to the underlying cost base of the CGU to build a robust platform for the business's long-term success which may lead to lower short-term earnings than originally anticipated.

The impairment loss in 2022 is included in the 'Amortisation and impairment of intangible assets' line on the face of the consolidated statement of comprehensive income. The recoverable amount of the CGU was based on a value-in-use calculation and was calculated as USD 34.0 million as at 31 December 2022.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

14. Intangible assets continued

Based on a sensitivity analysis performed on all CGUs, it was noted that no CGU is sensitive to changes in discount rates. In 2022 only one CGU, which consists solely of the Slovakian subsidiary SK-NIC A.S., was sensitive to changes in discount rates. Specific to this CGU, an increase in the discount rate of 1.5% would result in an impairment charge, such increase being based on the size risk premium that is typically applied in the DCF valuations of smaller companies. In considering this sensitivity analysis, management consider that an increase in the discount rate is not warranted as SK-NIC A.S. is a utility-style, recurring revenue business and, as such, does not have a small company's risk profile. Further, the growth assumptions used in small company valuations would typically be much higher than the growth rates that have been applied in the value-in-use calculation for this CGU. Absent any sensitivity analysis, this CGU's recoverable amount exceeds its carrying value by USD 3.0 million.

No other reasonable change in the other assumptions made by management would presently result in an additional impairment to any other CGUs.

15. Other non-current assets

	2023 USD m	2022 USD m
Deferred costs	**0.1**	0.3

Deferred costs are invoices relating to domain name purchases from wholesalers which are prepaid for periods over twelve months.

16. Trade and other receivables

	2023 USD m	2022 USD m
Trade receivables	**82.7**	74.8
Accrued revenue	**5.4**	5.2
Deferred costs	**3.4**	3.1
Supplier payments on account	**3.1**	2.6
Prepayments and other receivables	**11.8**	12.5
Corporation tax receivable	**0.3**	—
	106.7	98.2

As of 31 December 2023, trade receivables of USD 8.8 million (2022: USD 7.0 million) were past due but not impaired. These primarily relate to several customers for whom there is considered a low risk of default.

The ageing of the trade receivables past due but not impaired is as follows: 0-30 days USD 6.4 million (2022: USD 5.5 million), 30-60 days USD 1.4 million (2022: USD 0.3 million), 60-90 days USD 0.6 million (2022: USD 0.3 million), and over 90 days USD 0.4 million (2022: USD 0.9 million).

Deferred costs are invoices relating to domain name purchases from wholesalers which are prepaid for periods within twelve months.

Supplier payments on account reflect payments to domain name registries for use against future wholesale domain purchases within the Group's retail business.

Accrued revenue is classified as a contract asset.

17. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Amounts held	2023 USD m	2022 USD m
USD	**65.7**	65.8
EUR	**21.8**	18.9
GBP	**2.1**	6.7
NZD	**0.7**	0.5
CHF	**0.6**	0.5
PLN	**0.6**	0.2
AUD	**0.4**	0.2
ILS	**0.3**	1.5
CAD	**0.2**	0.2
Other	**0.3**	0.3
	92.7	94.8

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

18. Share capital

The Company's issued and fully paid share capital is as follows:

Ordinary shares of 0.1 pence each	Number	Share capital USD m
At 31 December 2021	227,380,670	0.3
Shares issued in respect of VGL acquisition	35,000,000	—
Shares issued in respect of Open Offer	2,384,679	—
Options exercised in the year	12,662,136	—
Purchase of treasury shares	(220,000)	—
At 31 December 2022	277,207,485	0.3
Sale of shares by EBT to satisfy share option exercises	5,776,755	—
Shares purchased by EBT	(3,648,587)	—
Purchase of treasury shares	(22,136,411)	—
At 31 December 2023	**257,199,242**	**0.3**

Share buyback programme and Employee Benefit Trust

During the year, the Company repurchased 22,136,411 shares under its share buyback programme at an average share price of GBP 1.28 (2022: 220,000 shares at a share price of GBP 1.54). These shares are held in treasury by the Company.

During the year, the Group's Employee Benefit Trust purchased 3,648,587 shares at an average share price of GBP 1.16 (2022: nil shares purchased). At 31 December 2023, the Employee Benefit Trust held 9,104,431 shares (31 December 2022: 11,232,599 shares).

The total share repurchase in the period is USD 40.5 million (2022: USD 0.4 million), of which USD 39.7 million was settled in cash during the year (2022: USD 0.4 million), with USD 0.8 million (2022: USD nil) settled in cash after the year end.

Dividend

During the year, the Company paid a final dividend of 1.0 pence per share to ordinary Shareholders in respect of the financial year ended 31 December 2022. The total cash outflow was USD 3.6 million (2022: USD nil). The proposed final dividend for the year ended 31 December 2023, subject to approval by Shareholders at the Annual General Meeting, is 2.0 pence per share.

The number of shares held and outstanding share options is as follows:

	2023 Number	2022 Number
Issued share capital	**288,660,084**	288,660,084
Shares held by Employee Benefit Trust	**(9,104,431)**	(11,232,599)
Shares held in Treasury	**(22,356,411)**	(220,000)
Share capital	**257,199,242**	277,207,485
Outstanding share options	**11,357,200**	12,985,926
Share capital plus outstanding share options	**268,556,442**	290,193,411

The actual number of ordinary shares in issue is 288,660,084 (31 December 2022: 288,660,084); however, 9,104,431 (31 December 2022: 11,232,599) ordinary shares are held by the Team Internet Employee Benefit Trust (the 'Trust') which is consolidated into these financial statements as it is considered that Team Internet Group Plc controls the Trust (in line with the IFRS 10: Consolidated Financial Statements definition of 'control'). Therefore, these 9,104,431 (31 December 2022: 11,232,599) ordinary shares are eliminated on consolidation.

The number of ordinary shares in issue is also reduced by 22,356,411 (31 December 2022: 220,000) for shares held in Treasury by the Company.

In addition to figures noted above, the total number of outstanding share options as at 31 December 2023 was 11,357,200 (31 December 2022: 12,985,926). Note that the total number of options that were vested but not exercised as at 31 December 2023 was 1,522,916 (31 December 2022: 2,584,385).

The Company has authority to allot additional shares with a nominal value equal to GBP 96,220. This authority expires at the earlier of the AGM held in 2024 and 3 August 2024.

19. Non-current other payables

	2023 USD m	2022 USD m
Deferred revenue	**1.1**	0.6
Deferred consideration	**3.8**	12.5
Provisions	**0.7**	0.8
Customer payments on account	**0.2**	—
	5.8	13.9

Deferred revenue represents amounts billed in advance of the performance obligation being satisfied.

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for the year ended 31 December 2023

20. Deferred tax

Deferred tax assets	Share-based payments USD m	Losses USD m	Other temporary differences USD m	Total USD m
At 1 January 2022	5.5	0.4	2.7	8.6
Acquisition of subsidiary	—	—	0.1	0.1
(Debit)/credit to profit and loss	(0.4)	1.1	0.7	1.4
Debit to equity	(0.1)	—	—	(0.1)
Exchange differences	(0.2)	(0.1)	(0.2)	(0.5)
At 31 December 2022	4.8	1.4	3.3	9.5
(Debit)/credit to profit and loss	(0.6)	6.1	0.2	5.7
Debit to equity	(1.6)	—	—	(1.6)
Exchange differences	(0.5)	(0.3)	—	(0.8)
At 31 December 2023	**2.1**	**7.2**	**3.5**	**12.8**

Deferred tax liabilities	Total USD m
At 1 January 2022	20.3
Acquisition of subsidiaries	15.8
Credit to profit and loss	(4.6)
Exchange differences	(1.3)
At 31 December 2022	30.2
Acquisition of subsidiary	0.3
Credit to profit and loss	(3.3)
Exchange differences	0.8
At 31 December 2023	**28.0**

The total credit to the statement of comprehensive income is USD 9.0 million (2022: USD 6.0 million) and the total debit to equity is USD 1.6 million (2022: USD 0.1 million debit). The deferred tax asset of USD 12.8 million (2022: USD 9.5 million) includes a deferred tax asset of USD 7.2 million (2022: USD 1.4 million) in respect of carried forward tax losses. The losses can be carried forward indefinitely and have no expiry date.

The amount of unused tax losses, related to various tax jurisdictions, available for carry forward for which no deferred tax asset has been recognised is approximately USD 59.5 million (2022: USD 109.0 million). The unrecognised deferred tax asset is approximately USD 15.8 million (2022: USD 28.0 million).

21. Trade and other payables and accruals

	2023 USD m	2022 USD m
Trade payables	**67.1**	62.5
Accrued expenses	**47.5**	47.9
Other taxes and social security	**3.9**	4.8
Deferred consideration	**7.2**	22.8
Deferred revenue	**5.8**	6.4
Customer payments on account	**16.6**	17.0
Accrued interest	**2.9**	2.1
Other liabilities	**2.4**	2.1
Corporation tax payable	**34.4**	24.7
	187.8	190.3

Deferred consideration includes net present value discounting. Including amounts due after one year (please refer to note 19), the maximum amount of deferred consideration payable is USD 36.8 million (2022: 56.2 million), which if crystallised, will be settled in cash. The maximum amount of deferred consideration payable is contingent on the financial performance of the acquired entities, and the amounts actually recognised are based on management's best estimate of the amounts that will become payable based on that performance. The expected timing of cash outflows relating to recognised deferred consideration is shown in the contractual cash flow disclosure in note 28.

Deferred revenue represents amounts billed in advance of the performance obligation being satisfied.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

22. Borrowings

	2023 USD m	2022 USD m
Non-current		
Bank borrowings	**150.4**	150.6
Prepaid finance costs	**(2.7)**	(4.7)
	147.7	145.9
Current		
Bank borrowings	**20.3**	5.3
Prepaid finance costs	**(1.4)**	—
	18.9	5.3
Total borrowings	**166.6**	151.2

	Bank borrowings USD m	Prepaid finance costs USD m	Total USD m
Total borrowings as at 1 January 2022	133.3	(2.2)	131.1
New financing term loan and revolving credit facility	162.6	(4.9)	157.7
New financing bond	23.3	—	23.3
Repayments	(143.1)	—	(143.1)
Amortisation	—	2.4	2.4
Exchange differences	(20.2)	—	(20.2)
Total borrowings as at 31 December 2022	155.9	(4.7)	151.2
Bank facilities extension costs	—	(0.7)	(0.7)
New financing revolving credit facility	15.0	—	15.0
Amortisation	—	1.3	1.3
Exchange differences	(0.2)	—	(0.2)
Total borrowings as at 31 December 2023	**170.7**	**(4.1)**	**166.6**

In October 2022, the EUR 126 million of senior secured bonds was refinanced via a new Senior Facilities Agreement comprising a USD 150 million term loan and a USD 100 million revolving credit facility. These new debt facilities had an initial maturity date of 14 October 2026 with an option to extend by a further year. During 2023 the Group successfully extended most of the facilities. USD 42 million of the term loan and USD 28 million of the revolving credit facility matures on 14 October 2026. USD 108 million of the term loan and USD 72 million matures on 14 October 2027. The initial borrowing cost is 2.75% above SOFR and is currently 3.00% above SOFR. The RCF drawdown was used to fund the working capital requirement of the Parent Company, which has no income other than dividend income, interest income and intercompany recharge income from subsidiaries, which may or may not coincide with the payment obligations of the Parent Company.

23. Derivative financial instruments

	2023 USD m	2022 USD m
Interest rate swaps – long-term liability	**0.2**	0.2
Forward foreign exchange contracts – cash flow hedges – short term	**—**	0.1

Forward foreign exchange contracts

In 2022, the Company entered into forward foreign exchange contracts with HSBC Bank Plc (HSBC) and Global Reach Partners Ltd (Global Reach), which resulted in a notional EUR 105 million of the amount outstanding under the bond being hedged at a weighted average EUR/USD exchange rate of 1.1893 and at a 1:1 hedge ratio. The forward contract with HSBC expired on 13 July 2022 and the forward contract with Global Reach expired on 15 July 2022. The Company settled the forward contracts at the prevailing mark-to-market valuations on those dates, which resulted in a EUR 20.9 million (USD 21.0 million) cash outflow. The event is neutral to the Company's net debt as the hedging liabilities mirror the gains from devaluation of the EUR.

For the year ended 31 December 2022, the Company prepared hedging documentation which demonstrated that the hedging instrument and the hedged item offset each other in currency terms and in amounts, meaning there was a clear economic relationship between the hedging instrument and hedged item as required under international accounting standards. However, following the change in functional currency of the Parent Company of the Group effective from 1 January 2022, which aligned the Parent Company's functional currency with the Group's long-standing presentational and functional currency of USD, this economic relationship was considered to no longer exist and the cumulative cash flow hedging reserve as at 31 December 2021 was recycled through the statement of comprehensive income for the year ended 31 December 2022. Further, effective from 1 January 2022, the mark-to-market valuations of the forward contracts (based on reports provided by each of HSBC and Global Reach) were recognised as derivative financial liabilities on the consolidated statement of financial position, with the corresponding fair value movement processed through the statement of comprehensive income. The change in the fair value of the derivative financial instrument for the year ended 31 December 2022 processed through the statement of comprehensive income was USD 25.8 million (processed through the cash flow hedging reserve) and the balance in the cash flow hedging reserve in respect of the forward foreign exchange contracts at 31 December 2022 was USD nil.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

23. Derivative financial instruments continued

Forward foreign exchange contracts continued

On 21 December 2022, the Company entered into a series of forward foreign exchange contracts to exchange US Dollars for Polish Zloty (PLN) and for British Pounds (GBP) in order to fulfil the currency requirements of certain subsidiaries which have a PLN and GBP cost base. The Company has elected to account for the forward trades as fair value through profit and loss as the hedging instrument is not linked to a 'highly probable' hedged item as required under international accounting standards. At the statement of financial position date, the forward foreign exchange contracts have been measured based on the mark-to-market valuation reports provided by the counterparty and the change in the fair value of the derivative financial instrument recognised through the statement of comprehensive income in 2023 is a credit of USD 0.1 million (2022 charge: USD 0.1 million). There are no forward foreign exchange contracts in place at 31 December 2023.

Interest rate swaps

Between 9 and 21 November 2022, the Company entered into three separate interest rate swap transactions to fix the variable interest component on USD 75 million of the new USD 150 million term loan at a blended fixed rate of 3.92%. The Company has prepared hedging documentation which demonstrates that the hedging instrument and the hedged item offset each other in interest rate terms and in amounts, meaning there is a clear economic relationship between the hedging instrument and hedged item as required under international accounting standards. At the statement of financial position date, the interest rate swaps have been measured based on the mark-to-market valuation reports provided by each of three counterparties, with no ineffectiveness recognised. The change in the fair value of the derivative financial instrument in 2023 is USD nil (2022: USD 0.2 million) and the balance in the cash flow hedging reserve at the year end is USD 0.2 million (2022: USD 0.2 million).

24. Business combinations

Adrenalads

On 31 August 2023, Team Internet acquired Adrenalads LLC, a Los Angeles based online marketing company that has a rich history of collaboration with Zeropark. The purchase price comprised initial consideration of USD 2.1 million and deferred consideration of USD 0.2 million, payable in February 2025. The acquisition will be immediately earnings accretive. The acquisition aims to seamlessly integrate Adrenalads into the Zeropark ecosystem and is anticipated to strengthen Zeropark's ties with e-commerce stakeholders, improve the efficiency of internal media-buying processes, open new supply channels for Zeropark and establish a presence in the strategic Pacific time zone.

In FY2022, Adrenalads generated unaudited revenue of USD 2.7 million, unaudited net revenue/gross profit of USD 1.1 million and unaudited EBITDA of USD 0.7 million.

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

Consideration	USD m
Initial cash consideration	2.1
Deferred consideration	0.2
Total consideration	**2.3**

Fair value recognised on acquisition	USD m
Assets	
Software	0.5
Customer relationships	0.6
Trade receivables	0.4
Cash and cash equivalents	0.2
	1.7
Liabilities	
Trade payables	0.4
Deferred tax liability	0.3
	0.7
Total identifiable estimated net assets at fair value	**1.0**
Goodwill arising on acquisition	1.3
Purchase consideration	**2.3**

For the post-completion period to 31 December 2023, revenues of USD 0.5 million, adjusted EBITDA of USD nil and a post-tax loss of USD nil have been generated by Adrenalads. The trading results for the period between 1 January 2023 and the date of acquisition were materially in line with the post-acquisition trading results.

Goodwill arising on acquisition primarily relates to the specific synergistic benefits able to be realised through Adrenalads being a part of the larger Team Internet Group, as well as goodwill in relation to employees.

Deferred consideration payments

In the year ended 31 December 2023, the following deferred consideration payments were made:

- Deferred contingent consideration payments for the acquisition of VGL Publishing AG was settled in cash for EUR 13.7 million (USD 14.9 million), which includes EUR 12.4 million (USD 13.6 million) in respect of 2022's performance.
- On 27 July 2023, the final deferred contingent consideration payment for the acquisition of InterNexum GmbH was settled in cash for EUR 0.6 million (USD 0.6 million).
- The first deferred contingent consideration payment for the acquisition of M.A Aporia was settled in cash for USD 2.3 million in two instalments: USD 0.8 million was paid on 13 July 2023 and USD 1.5 million was paid on 24 August 2023. A second deferred consideration payment was settled in cash for USD 2.8 million on 19 October 2023.
- On 19 October 2023, the deferred consideration payment for the acquisition of Intellectual Property Management Company was settled in cash for USD 0.8 million.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

25. Related party disclosures

(a) Ultimate controlling party

The Company is not controlled by any one party.

(b) Related party transactions

Key management personnel are considered to be the Directors. Compensation has been disclosed in note 9, while further information can be found in the remuneration report on pages 74 to 75. The Directors have assured themselves that all related party transactions are at normal market conditions and in the best interest of the Group.

(i) Directors

The Group provided registry services amounting to USD 3,215,000 (2022: USD 1,306,000) to Shortdot S.A., a company of which Michael Riedl is a Director and Shareholder. The amount outstanding at the year end amounted to USD 146,000 (2022: USD 202,000).

Neozoon Sàrl ('Neozoon'), a company of which Michael Riedl is a Director and Shareholder, purchased services from the Group for USD 21,000 (2022: USD 20,000). The amount owed by Neozoon at the year end amounted to USD 70,000 (2022: USD 46,000). Neozoon uses the services of Group to monetise its domain traffic; USD 19,000 of traffic was monetised and payable to Neozoon during the year (2022: USD 41,000), and USD 1,000 was owed to Neozoon at the year end (2022: USD 2,000).

Am Bongert Business Advisory SARL, a company of which Michael Riedl is a Director and Shareholder, provided services amounting to USD 712,000 (2022: USD 573,000) to the Group; these services form part of the compensation package of Michael Riedl and is disclosed as part of his remuneration in the remuneration report. The amount outstanding at the year end amounted to USD 103,000 (2022: USD 48,000).

Donald Baladasan, a former Director of the Company, is a Director of Mataxis Jersey Limited ('Mataxis'), a company which provided services to the Group, which form part of his compensation package, and are disclosed as part of his remuneration in the remuneration report. During the year, up until Donald Baladasan ceased to be a Director of the Company, Mataxis provided services amounting to USD 32,000 (2022: USD 1,030,000). The amount outstanding at 31 December 2022 was USD 31,000.

(ii) Non-Executive Directors

Rental income payable to inter.services GmbH, a company of which Horst Siffrin is a Shareholder, under the lease of a property based in Sankt Ingbert, Germany (see note 26), amounted to USD 495,000 (2022: USD 476,000). USD nil (2022: USD nil) was outstanding at the year end. During the year the Group sold furniture to inter.services GmbH amounting to USD 7,000 (2022: USD nil). USD nil (2022: USD nil) was outstanding at the year end.

During the year the Group incurred rental costs of USD 8,000 (2022: USD 7,000) from Horst Siffrin. The amount outstanding at the year end is USD nil (2022: USD nil).

During 2022 the Group engaged with Rickert Rechtsanwaltsgesellschaft mbH and Rickert Services UK Limited, of which Thomas Rickert has a controlling interest, to provide advice and compliance services around data protection. The services provided during 2022 were as follows:

Rickert Rechtsanwaltsgesellschaft mbH: services amounting to USD 75,000 during 2022 and USD 8,000 was outstanding at 31 December 2022.

Rickert Services UK Limited: services amounting to USD 46,000 during 2022 and USD 46,000 was outstanding at 31 December 2022.

On 28 February 2022, Kestrel Partners LLP, a substantial Shareholder in the Company, of which Max Royde is an LLP Designated Member, subscribed for 6,500,000 Placing Shares in the Group at a purchase price of 120 pence, totalling GBP 7,800,000.

inter.services GmbH, a company of which Horst Siffrin is a Director, invoiced to the Group Non-Executive Director and other consultancy services amounting to USD 56,000 in the year (2022: USD 56,000). The amount outstanding at the year end amounted to USD nil (2022: USD nil). Horst Siffrin's remuneration as a Director is disclosed in the remuneration report.

Kestrel Partners LLP, a partnership of which Max Royde is an LLP Designated Member, invoiced to the Group Non-Executive Director services amounting to USD 94,000 (2022: USD 56,000); Max Royde's total remuneration is disclosed in the remuneration report. The amount outstanding at the year end amounted to USD 11,000 (2022: USD nil).

Clevebeam Limited, a company which Samuel Dayani is a Director, invoiced to the Group Non-Executive Director services amounting to USD 65,000 in the year (2022: USD 56,000); Samuel Dayani's total remuneration is disclosed in the remuneration report. The amount outstanding at the year end amounted to USD nil (2022: USD nil).

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26. Leases

The Group leases various offices and vehicles under non-cancellable leases. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Lease liabilities	31 December 2023 USD m	31 December 2022 USD m
Current lease liabilities	**1.6**	1.9
Non-current lease liabilities	**3.2**	3.8
Total lease liabilities	**4.8**	5.7

Right-of-use assets	31 December 2023 USD m	31 December 2022 USD m
Properties	**4.6**	5.5
Total right-of-use assets	**4.6**	5.5

Interest expense related to the lease liabilities and depreciation related to the right-of-use assets recognised in the consolidated statement of comprehensive income at 31 December 2023 are shown below:

	31 December 2023 USD m	31 December 2022 USD m
Depreciation for right-of-use assets	**2.1**	2.0
Interest expense on lease liabilities	**0.2**	0.2

Properties

The Group leases office space at the following locations:

Sydney, Australia. The lease agreement was entered into in April 2023 for an initial twelve-month period and expires in March 2024.

Melbourne, Australia. The lease agreement was renewed in June 2023 and has an expiry date of May 2026.

Richmond (BC), Canada. The Group acquired leases on the acquisition of the Hexonet Group for a period of twelve months. This lease finished in June 2023 and there is now no lease property in Canada.

Marseilles, France. The Group acquired an office lease on the acquisition of SafeBrands which expired in May 2023. This rental property is still occupied and the lease can be terminated with nine months' notice.

Berlin, Germany. The Group acquired an office lease on the acquisition of VGL for a period of 36 months from June 2021.

Bonn, Germany. The lease agreement was entered into on 1 May 2015 for an initial term of 32 months. The lease will renew each year for a further year unless either party terminates with six months' notice.

Friedrichsthal, Germany. The lease agreement was entered into on 2 July 2012 with an amendment of 16 April 2018 for a term until 30 September 2028. The lease will then be renewed for one year after the lease date unless a three months' notice is provided.

Görlitz, Germany. The Group acquired an office lease on the acquisition of Internexum which is renewed tacitly and is subject to six months' notice by either party.

Munich, Germany. The Group acquired several leases on its acquisition of KeyDrive Group for a period of 36 months from August 2012. The leases are renewed tacitly, and termination is subject to a month's notice by either party.

Munich, Germany. The Group acquired several leases on its acquisition of Team Internet. The leases have been renewed and now expire in July 2025.

Sankt Ingbert, Germany. The lease agreement was entered into on 1 July 2018 for an initial term until 31 December 2023. In October 2022, a new lease was signed for another building for five years from 1 January 2024 until 31 December 2028.

Tel Aviv, Israel. The lease agreement was entered into on 16 August 2023 for an initial two-year period until August 2025.

Luxembourg, Luxembourg. The lease agreement was acquired on acquisition of the KeyDrive Group. The contracts are renewed by tacit agreement for a period of twelve months subject to a notice period either side of three months.

Napier, New Zealand. The lease agreement was entered into on 16 April 2019 for an initial term of three years with the right to renew every three years. The final expiry date is 31 July 2027.

Krakow, Poland. The Group acquired an office lease on the acquisition of Codewise which expires on 31 July 2026.

Bratislava, Slovakia. The lease agreement was acquired on acquisition and can be terminated at any point in time with immediate effect, i.e. there exists no minimum commitment period.

London, UK. The lease agreement was entered into on 7 March 2019 and has an expiry date of 6 March 2029.

Leesburg (VA), USA. The lease agreement was entered into in November 2023 for a period of twelve months from 1 January 2024.

California, USA. The lease agreement was acquired on acquisition of Adrenalads LLC in August 2023. The lease expires in June 2024.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

27. Share options and warrants

Share options

The share option scheme, adopted by Team Internet during 2013, was established to reward and incentivise the executive management team and staff for delivering share price growth. The option schemes are all equity settled.

The share option scheme is administered by the Remuneration & Nominations Committee.

5,861,745 options were granted during 2023 (2022: 2,113,863) with a weighted average fair value of 115 pence (2022: 99 pence). Where there are no market performance conditions included in the vesting conditions of the options, the Black-Scholes method has been used to determine the fair value of the options. For options where there are market performance conditions included in the vesting conditions of the options, these conditions are taken into account when determining the fair value of the options. For options valued under the Black-Scholes method, as the options granted in the year have a nil exercise price, the fair value of the share options is not materially different to the Company's share price on the option grant date. Out of the outstanding options of 11,357,200 (2022: 12,985,926), 1,522,916 options (2022: 2,584,385) were exercisable.

A charge of USD 4.5 million (2022: USD 5.7 million) has been recognised in the consolidated statement of comprehensive income for the year relating to these options.

5,764,035 share options were exercised in 2023 (2022: 7,929,869), with 1,702,436 options forfeited during the year (2022: 383,319).

Options are exercisable in accordance with the contracted vesting schedules; if the employee leaves the employment of the Group prior to the options vesting, then the share options previously granted will lapse. The remuneration report describes the vesting periods and Group performance targets associated with options issued under the LTIP scheme. The remainder of the options issued by the Company vest equally over three years and are not subject to Group performance targets.

Details of the share options outstanding at the year end are as follows:

	Number 2023	**WAEP[(1)] 2023**	Number 2022	WAEP[(1)] 2022
Outstanding at 1 January	**12,985,926**	**29p**	19,185,251	24p
Granted	**5,861,745**	**nil**	2,113,863	nil
Exercised	**(5,764,035)**	**6p**	(7,929,869)	11p
Forfeited	**(1,702,436)**	**5p**	(383,319)	1p
Expired	**(24,000)**	**10p**	—	—
Outstanding at 31 December	**11,357,200**	**29p**	12,985,926	29p
Thereof exercisable at 31 December	**1,522,916**	**3p**	2,584,385	18p

(1) Weighted average exercise price.

The weighted average remaining contractual life of the options outstanding at the statement of financial position date is 8.0 years (2022: 7.2 years). Exercises of options will largely be covered by the shares held by the Group's Employee Benefit Trust.

28. Financial instruments

The Group is exposed to market risk, credit risk and liquidity risk arising from financial instruments. The Group's overall financial risk management policy focuses 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.

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

	2023 USD m	2022 USD m
Financial assets measured at amortised cost		
Trade and other receivables	**98.7**	92.3
Cash and cash equivalents	**92.7**	94.8
	191.4	187.1
Financial liabilities measured at amortised cost		
Trade payables	**67.1**	62.5
Deferred consideration	**11.0**	35.3
Lease liabilities (note 26)	**4.8**	5.7
Borrowings (current liabilities)	**18.9**	5.3
	101.8	108.8
Financial liabilities measured at fair value		
Derivative financial liabilities	**0.2**	0.3
	0.2	0.3
Total financial liabilities	**102.0**	109.1

Non-current borrowings are included within section (ii), credit risk, below.

(a) Financial risk management framework

The Directors' risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

28. Financial instruments continued

(a) Financial risk management framework continued

(i) Market risk

Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than its principal functional currencies, primarily USD and EUR. Foreign currency risk is monitored on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk is minimal as it trades predominantly in USD, EUR, GBP and AUD. Exposure to currency risk is negated by the holding of adequate reserves in these four currencies to meet trading and provisioned obligations as the need arises.

As the Group evolves, foreign currency risk will be monitored more closely given exposure to additional markets and currencies.

The carrying amounts of the Group's financial instruments are denominated in the following currencies as at 31 December 2023:

	USD USD m	EUR USD m	GBP USD m	AUD USD m	Other currencies USD m	Total USD m
Financial assets						
Trade and other receivables	75.9	25.8	1.7	0.7	2.7	106.8
Cash and cash equivalents	65.7	21.8	2.1	0.4	2.7	92.7
	141.6	**47.6**	**3.8**	**1.1**	**5.4**	**199.5**
Financial liabilities measured at amortised cost						
Trade payables	52.1	10.7	0.7	0.7	2.9	67.1
Deferred consideration	8.6	2.4	—	—	—	11.0
Lease liabilities	0.9	1.7	1.2	0.7	0.3	4.8
Loans and borrowings	166.0	0.6	—	—	—	166.6
	227.6	15.4	1.9	1.4	3.2	249.5
Financial liabilities measured at fair value						
Derivative financial liabilities	0.2	—	—	—	—	0.2
Total financial liabilities	**227.8**	**15.4**	**1.9**	**1.4**	**3.2**	**249.7**

The currency derivative financial liability is measured at fair value using Level 2 valuation inputs.

The sensitivity analyses in the table below detail the impact of changes in foreign exchange rates on the Group's post-tax profit or loss for the year ended 31 December 2023.

If the US Dollar strengthened or weakened by 10% against the other currencies specified in the table below, with all other variables in each case remaining constant, then the impact on the Group's post-tax profit or loss would be gains or losses as follows:

	2023 Strengthen/ weaken USD m	2022 Strengthen/ weaken USD m
EUR	**+/- 3.9**	+/- 3.2

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

28. Financial instruments continued

(a) Financial risk management framework continued

(i) Market risk continued

Interest rate risk

Interest rate risk is the risk that the fair value of, or future cash flows of, a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Directors' policy is to obtain the most favourable interest rates available.

The Group has a Senior Facilities Agreement (SFA) consisting of a USD 150 million fully drawn down term loan and a USD 100 million revolving credit facility (RCF). USD 20 million of the RCF was drawn down as at 31 December 2023. The SFA's interest rate carries a floating element based on the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York. To mitigate the risk of increasing interest rates, between 9 and 21 November 2022, the Company entered into three separate interest rate swap transactions to fix the variable interest component on USD 75 million of the new USD 150 million term loan at a blended fixed rate of 3.92%. As at 31 December 2023, the Group's debt facilities bore interest at compounded SOFR plus a margin of 3%.

	2023 USD m	2022 USD m
Cash and bank balances	92.7	94.8
Effect of interest rate change of 100 basis points on cash and bank balances	+/- 0.9	+/- 0.9
Bank facilities (including prepaid finance costs)	166.6	151.2
Effect of interest rate change of 100 basis points on bank facilities	+/- 1.7	+/- 1.5

Equity price risk

The Group does not have any quoted investments as at each of 31 December 2022 and 2023 and as such does not have significant exposure to equity price risk.

(ii) Credit risk

The Group's exposure to credit risk arises mainly from a counterparty's failure to meet its obligation to settle a financial asset. The Directors consider the Group's exposure to credit risk arising from trade receivables to be minimal as the Group is often paid at the outset or in advance of a transaction. Credit risk arising from other receivables is controlled through monitoring procedures, including credit approvals and credit limits, with the balance largely offset by separate liabilities held on the statement of financial position relating to the same party.

The Group uses ageing analysis to monitor the credit quality of trade receivables. Any receivables which have significant past due balances or are aged for more than 90 days which are deemed to have a higher credit risk are monitored individually. Analysis of trade receivables past due is disclosed in note 16, and analysis of trade and other receivables by foreign currency exposure is noted above. There have been no material changes in the credit risk profile of the Group during the year.

Management considers these exposures to have low credit risk since, based on limited historical credit losses, these financial assets have low risk of default and have a strong capacity to meet their contractual cash flow obligations in the near term. As at the reporting date, there has been no significant increase of credit risk since initial recognition.

For cash and bank balances, the Directors minimise the Group's credit risk by dealing exclusively with banks and financial institution counterparties with high credit ratings.

The carrying amounts of financial assets at the end of the reporting periods represent the maximum credit exposure.

	2023 USD m	2022 USD m
Trade and other receivables	98.7	92.3
Cash and bank balances	92.7	94.8
	191.4	187.1

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

28. Financial instruments continued

(a) Financial risk management framework continued

(iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling those financial obligations that are settled with cash or with another financial asset. The Directors' objective is to maintain, as much as possible, a level of cash and bank balances adequate to ensure that there will be sufficient liquidity to meet its liabilities when they fall due.

The following sets forth the remaining gross contractual cash flows of financial liabilities:

31 December 2023	Contractual cash flows within 1 year USD m	Contractual cash flows 1-5 years USD m	Contractual cash flows over 5 years USD m	Total contractual cash flows USD m	Carrying value USD m
Trade payables	67.1	—	—	67.1	67.1
Deferred consideration	7.4	4.6	—	12.0	10.9
Borrowings	32.8	194.3	—	227.1	166.6
Lease liabilities	1.8	3.5	—	5.3	4.8
Total non-derivative cash flows	109.1	202.4	—	311.5	249.4
Derivatives	—	0.2	—	0.2	0.2
Total cash flows	109.1	202.6	—	311.7	249.6

31 December 2022	Contractual cash flows within 1 year USD m	Contractual cash flows 1-5 years USD m	Contractual cash flows over 5 years USD m	Total contractual cash flows USD m	Carrying value USD m
Trade payables	62.5	—	—	62.5	62.5
Deferred consideration	23.1	14.8	—	37.9	35.3
Borrowings	15.9	180.4	—	196.3	151.2
Lease liabilities	2.0	3.8	0.3	6.1	5.7
Total non-derivative cash flows	103.5	199.0	0.3	302.8	254.7
Derivatives	0.1	0.2	—	0.3	0.3
Total cash flows	103.6	199.2	0.3	303.1	255.0

(b) Capital risk management

The Directors define capital as the total equity of the Group. The Directors' objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Directors may adjust the amounts of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

The Directors manage the Group's capital based on a ratio which calculates total liabilities less cash and bank balances divided by total equity, as shown below:

	2023 USD m	2022 USD m
Total liabilities	249.7	255.0
Less: cash and bank balances	(92.7)	(94.8)
Total liabilities less cash and bank balances	157.0	160.2
Total equity	153.5	167.0
Total liabilities less cash and bank balances-to-equity ratio	1.02	0.96

The net debt of the Group as at the end of each reporting period, excluding prepaid finance costs and derivatives, was as follows:

	2023 USD m	2022 USD m
Cash and cash equivalents	92.7	94.8
Less: borrowings (excluding prepaid finance costs)	(170.7)	(155.9)
Net debt (excluding prepaid finance costs and derivatives)	(78.0)	(61.1)

The net debt of the Group as at the end of each reporting period, including prepaid finance costs, was as follows:

	2023 USD m	2022 USD m
Cash and cash equivalents	92.7	94.8
Less: borrowings (including prepaid finance costs)	(166.6)	(151.2)
Derivatives	(0.2)	(0.3)
	(74.1)	(56.7)
Add back: derivatives (non-borrowing related)	—	0.1
Net debt (including prepaid finance costs and borrowing related derivatives)	(74.1)	(56.6)

(i) Borrowings and RCF covenant

Under the terms of the Senior Facilities Agreement, the Group is required to comply with a financial covenant that adjusted leverage (net debt to adjusted EBITDA) is less than 2.5x and that interest cover is not less than 4.0x. Under the terms of the major borrowing facilities up until the refinancing, the Group was required to comply with a financial covenant that the leverage ratio must not be more than 6.0x. The Group has complied with these covenants throughout the reporting period.

Notes to the consolidated financial statements continued

for the year ended 31 December 2023

28. Financial instruments continued

(b) Capital risk management continued

(ii) Net debt reconciliation (excluding prepaid finance costs and derivatives)

	Cash and bank balances USD m	Borrowings due within 1 year USD m	Borrowings due after 1 year USD m	Total USD m
Net debt as at 1 January 2022	56.1	(13.4)	(119.9)	(77.2)
Cash flows	44.0	8.0	(10.4)	41.6
Foreign exchange adjustments	(5.3)	—	(20.3)	(25.6)
Net debt as at 31 December 2022	94.8	(5.4)	(150.6)	(61.2)
Cash flows	(5.3)	(14.9)	0.2	(20.0)
Foreign exchange adjustments	3.2	—	—	3.2
Net debt at 31 December 2023	**92.7**	**(20.3)**	**(150.4)**	**(78.0)**

(c) Fair values of financial instruments

The following carrying amounts of the financial assets and liabilities reported in the consolidated financial statements approximate their fair values:

	2023		2022	
	Carrying amount USD m	**Fair value USD m**	Carrying amount USD m	Fair value USD m
Trade and other receivables	**98.7**	**98.7**	92.3	92.3
Cash and bank balances	**92.7**	**92.7**	94.8	94.8
Financial assets	**191.4**	**191.4**	187.1	187.1
Trade payables	**(67.1)**	**(67.1)**	(62.5)	(62.5)
Deferred consideration	**(11.0)**	**(11.0)**	(35.3)	(35.3)
Lease liabilities	**(4.8)**	**(4.8)**	(5.7)	(5.7)
Borrowings	**(166.6)**	**(166.6)**	(151.2)	(151.2)
Financial liabilities	**(249.5)**	**(249.5)**	(254.7)	(254.7)
Net financial liabilities	**(58.1)**	**(58.1)**	(67.6)	(67.6)

(d) Fair value hierarchy

The different levels are defined as follows:

Level 1: Fair value measurements are derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Fair value measurements are derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Fair value measurements derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

29. Subsequent events

A review of events subsequent to the balance sheet date up to the date that the financial statements were issued was carried out and it was determined that there were no such events requiring recognition or disclosure in the financial statements.

Company statement of financial position

as at 31 December 2023

	Note	2023 USD m	2022 USD m
ASSETS			
Non-current assets			
Property, plant and equipment		**—**	0.1
Right-of-use assets		**1.1**	1.4
Intangible assets		**1.3**	0.8
Investments	7	**83.7**	102.9
Deferred tax asset	8	**7.5**	2.7
Receivables	9	**366.8**	—
		460.4	107.9
Current assets			
Receivables	9	**38.5**	256.3
Cash and bank balances		**8.1**	8.8
		46.6	265.1
Total assets		**507.0**	373.0
LIABILITIES			
Current liabilities			
Payables	11	**28.6**	41.7
Lease liabilities		**0.2**	1.4
Borrowings		**18.7**	5.0
Derivative financial instruments		**—**	0.1
		47.5	48.2

	Note	2023 USD m	2022 USD m
Non-current liabilities			
Payables		**2.2**	7.0
Lease liabilities		**1.0**	—
Deferred tax liability		**0.3**	—
Borrowings		**147.3**	145.3
Derivative financial liabilities		**0.2**	0.2
		151.0	152.5
Total liabilities		**198.6**	200.7
Net assets		**308.5**	172.3
CAPITAL AND RESERVES			
Share capital	10	**0.3**	0.3
Share premium		**—**	98.5
Merger relief reserve		**5.3**	5.3
Share-based payment reserve		**25.7**	23.4
Cash flow hedging reserve		**(0.2)**	(0.2)
Foreign exchange translation reserve		**(3.5)**	(15.0)
Retained earnings		**280.9**	60.0
Shareholders' funds		**308.5**	172.3

The profit for the year, including other comprehensive income, was USD 178.0 million (2022: loss of USD 21.8 million). The profit for the year, excluding other comprehensive income, was USD 166.5 million (2022: loss of USD 14.4 million).

These financial statements were approved and authorised for issue by the Board of Directors on 15 March 2024 and were signed on its behalf by:

Iain McDonald
Chairman

Company Number: 08576358

The notes on pages 126 to 128 form an integral part of these financial statements.

Company statement of changes in equity

as at 31 December 2023

	Share capital USD m	Share premium USD m	Merger relief reserve USD m	Share-based payment reserve USD m	Cash flow hedging reserve USD m	Foreign exchange translation reserve USD m	Retained earnings USD m	Total USD m
Balance at 1 January 2022	0.2	39.8	5.3	18.6	(6.4)	(1.4)	74.8	130.9
Loss for the year	—	—	—	—	—	—	(14.4)	(14.4)
Other comprehensive income								
Translation of foreign operation	—	—	—	—	—	(13.6)	—	(13.6)
Gain arising on changes in fair value of hedging instruments	—	—	—	—	6.2	—	—	6.2
Transactions with owners								
Shares issued in respect of VGL acquisition and Open Offer	0.1	59.6	—	—	—	—	—	59.7
Share issue costs	—	(1.1)	—	—	—	—	—	(1.1)
Shares issued to Employee Benefit Trust	—	0.2	—	—	—	—	—	0.2
Repurchase of shares	—	—	—	—	—	—	(0.4)	(0.4)
Share-based payments	—	—	—	5.1	—	—	—	5.1
Share-based payments – deferred tax	—	—	—	(0.3)	—	—	—	(0.3)
Balance at 31 December 2022	0.3	98.5	5.3	23.4	(0.2)	(15.0)	60.0	172.3
Profit for the year	—	—	—	—	—	—	166.5	166.5
Other comprehensive income								
Translation of foreign operation	—	—	—	—	—	11.5	—	11.5
Transactions with owners								
Dividends paid on equity shares	—	—	—	—	—	—	(3.6)	(3.6)
Cancellation of share premium	—	(98.5)	—	—	—	—	98.5	—
Repurchase of shares	—	—	—	—	—	—	(40.5)	(40.5)
Share-based payments	—	—	—	3.4	—	—	—	3.4
Share-based payments – deferred tax	—	—	—	(1.1)	—	—	—	(1.1)
Balance at 31 December 2023	**0.3**	**—**	**5.3**	**25.7**	**(0.2)**	**(3.5)**	**280.9**	**308.5**

- 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. The share premium of the Company was cancelled in full during the year.
- 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 share issue costs and other permitted reductions, where the consideration for shares in another company includes issued shares, and 90% of the equity is held in the other company.
- Share-based payments reserve represents the cumulative value of share-based payments, excluding related employment taxes, recognised through equity and deferred tax assets arising thereon.
- Cash flow hedging reserve represents the effective portion of changes in the fair value of derivatives.
- Foreign exchange translation reserve represents cumulative exchange differences arising on translation of foreign operations.
- Retained earnings represent the cumulative value of the profits not distributed to Shareholders but retained to finance the future capital requirements of the Company.

The notes on pages 126 to 128 form an integral part of these financial statements.

Notes to the Company financial statements

for the year ended 31 December 2023

1. General information

Nature of operations

Team Internet Group Plc (the 'Company') is the UK holding company of a group of companies whose principal activities create meaningful and successful connections from businesses to domains, brands to consumers, publishers to advertisers, enabling everyone to realise their digital ambitions. 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.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. These financial statements are the separate financial statements of Team Internet Group Plc and are presented in USD rounded to the nearest USD 0.1 million (unless otherwise stated).

The preparation of financial statements in compliance with Financial Reporting Standard 101 Reduced Disclosure Framework requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3 in the Group financial statements). All accounting policies that are not unique to the Company are listed on pages 94 to 102. All additional accounting policies have been applied as detailed in note 3 below.

3. Material accounting policies

(a) Going concern

As at 31 December 2023, the Company had net current liabilities of USD 0.9 million, with the main current asset being amounts owed from its subsidiaries amounting to USD 35.9 million. The Company has assessed its ongoing costs with cash generated by its subsidiaries to ensure that it can continue to settle its debts as they fall due. The Company can defer payment of its USD 20.0 million revolving credit facilities, which are included in current liabilities, until at least October 2026, subject to meeting its loan covenants. The Company also has undrawn revolving credit facilities of USD 80.0 million at 31 December 2023.

The Directors have, after careful consideration of the factors set out above, concluded that it is appropriate to adopt the going concern basis for the preparation of the financial statements, and the financial statements do not include any adjustments that would result if the going concern basis was not appropriate.

(b) Investments

Investments held as fixed assets are stated at cost less provision for impairment.

(c) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the statement of financial position date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

(d) Parent Company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 101:

- disclosures in respect of the Parent Company's financial instruments and share-based payment arrangements have not been presented as equivalent disclosures and have been provided for the Group as a whole;
- no disclosure has been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole;
- no cash flow statement has been presented for the Parent Company;
- related party transactions with wholly owned fellow Group companies have not been disclosed; and
- the effect of future accounting standards not yet adopted has not been disclosed.

(e) Share-based payments

Employees (including Directors) receive remuneration in the form of share-based payment transactions, whereby these individuals render services as consideration for equity instruments (equity-settled transactions). These individuals are granted share option rights approved by the Board which can only be settled in shares of the respective companies that award the equity-settled transactions. Share option rights are also granted to these individuals by majority Shareholders over their shares held. No cash-settled awards have been made or are planned.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant individuals become fully entitled to the award (vesting point). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of equity instruments and value that will ultimately vest. The statement of comprehensive income charge for the year represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Notes to the Company financial statements continued

for the year ended 31 December 2023

3. Material accounting policies continued

(e) Share-based payments continued

The fair value of share-based remuneration of the Company's employees is determined at the date of grant and recognised as an expense in the statement of comprehensive income on a straight-line (graded vesting) basis over the vesting period, taking account of the estimated number of shares that will vest. The fair value is determined by use of the Black-Scholes model method unless the options carry market performance conditions. For options where there are market performance conditions included in the vesting conditions of the options, these conditions are taken into account when determining the fair value of the options. The fair value of share-based remuneration in respect of the employees of the Company's subsidiaries is recognised within investments. Employment taxes borne by the Group in relation to share-based payments are expensed to the consolidated statement of profit and loss over the vesting period.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. The estimates and assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are areas where key assumptions concerning the future, and other key sources of estimation uncertainty as at the statement of financial position date, have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the financial statements:

Recoverability and classification of amounts owed from Group undertaking

The classification of amounts owed from Group undertakings as current or non-current assets is based on the Company's assessment of the amount that is expected to be settled within twelve months from the date of the statement of financial position. In order to determine recoverability and classification, reference is made to the latest available profit forecasts and available resources of Group undertakings.

Investments

The recoverable amounts investments are determined based on the higher of the value-in-use and the fair value less costs to sell. These calculations will require the use of estimates and assumptions. It is reasonably possible that assumptions may change, which may impact the Directors' estimates and may then require a material adjustment to the carrying value of investments.

Recognition of deferred tax assets

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. In order to determine the future taxable profits, reference is made to the latest available profit forecasts. Where the temporary differences are related to losses, relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits.

5. Profit for the financial period

The Company has taken advantage of section 408 of the Companies Act 2006 and, consequently, a statement of comprehensive income for the Company alone has not been presented. The Company's profit for the financial year was USD 166.5 million (2022: loss of USD 14.4 million) which excluded a net gain on foreign currency translation of USD 11.5 million (2022: loss of USD 13.6 million) and no gain or loss arising on changes in fair value of hedging instruments (2022: gain of 6.2 million). The Company's profit for the financial year has been arrived at after charging auditor's remuneration payable to Crowe U.K. LLP for audit services to the Company of USD 0.4 million (2022: USD 0.4 million).

6. Employees and Directors' remuneration

Staff costs during the period incurred by the Company were as follows:

	2023 USD m	2022 USD m
Salaries, fees and bonus	**2.2**	3.9
Social security	**0.1**	0.5
Cash in lieu of pension and other benefits	**0.1**	0.3
Pension	**0.1**	—
Share-based payment expenses	**2.6**	3.8
Payment in lieu of notice	**0.5**	0.6
	5.6	9.1

The average number of employees of the Company, including Directors, performing under a service contract during the period was:

	2023 Number	2022 Number
Directors under employment contracts only	**4**	4
Directors under service contracts only	**3**	3
Directors under a combination of employment and service contracts	**1**	2
	8	9

The Group made contributions to defined contribution personal pension schemes for two Directors in the period (2022: three). For details of the highest paid Director please refer to note 9 of the Group's consolidated financial statements.

Notes to the Company financial statements continued

for the year ended 31 December 2023

7. Investments

	USD m
At 1 January 2022	81.9
Share options issued to subsidiary employees on behalf of subsidiaries	1.6
Additions	19.4
At 31 December 2022	102.9
Share options issued to subsidiary employees on behalf of subsidiaries	1.5
Impairment of investment in subsidiary	(21.3)
Additions	0.6
At 31 December 2023	**83.7**

During the year, an impairment of USD 21.3 million (2022: USD nil) relating to one of the Company's subsidiaries has been recognised. The impairment is caused by the subsidiary's equity position at the year end.

8. Deferred tax

Deferred tax assets	Share-based payments USD m	Losses USD m	Total USD m
At 1 January 2022	3.9	—	3.9
Credit to profit and loss	(0.6)	—	(0.6)
Debit to equity	(0.3)	—	(0.3)
Exchange differences	(0.3)	—	(0.3)
At 31 December 2022	2.7	—	2.7
Credit to profit and loss	(0.3)	6.1	5.8
Debit to equity	(1.1)	—	(1.1)
Exchange differences	0.1	—	0.1
At 31 December 2023	**1.4**	**6.1**	**7.5**

Deferred tax liabilities	Other temporary differences USD m
At 1 January 2022 and 31 December 2022	—
Debit to profit and loss	0.3
At 31 December 2023	**0.3**

9. Receivables

Non-current	2023 USD m	2022 USD m
Amounts owed by Group undertakings	**366.8**	—

Current	2023 USD m	2022 USD m
Amounts owed by Group undertakings	**35.9**	253.9
Other debtors	**2.6**	2.4
	38.5	256.3

Amounts owed by Group undertakings are classified as non-current when settlement is expected to be more than twelve months from the date of the financial statements.

10. Share capital

The Company's issued and fully paid share capital is as follows:

	Number	Share capital USD m
Ordinary shares of 0.1 pence each		
At 31 December 2021	251,160,084	0.3
Shares issued to fund VGL acquisition	35,000,000	—
Shares issued in respect of Open Offer	2,384,679	—
Shares issued to Employee Benefit Trust	115,321	—
Shares held in Treasury	(220,000)	—
At 31 December 2022	**288,440,084**	**0.3**
Shares held in Treasury	(22,136,411)	—
At 31 December 2023	**266,303,673**	**0.3**

11. Payables – current

Current	2023 USD m	2022 USD m
Trade creditors	**1.3**	2.7
Amounts owed to Group undertakings	**16.2**	26.9
Accruals and deferred income	**1.8**	5.4
Accrued interest	**2.9**	2.1
Other liabilities	**6.4**	4.6
	28.6	41.7

Particulars of subsidiaries

The companies listed below are 100% subsidiaries of Group companies and only have ordinary share capital unless otherwise stated.

Parent Company	Subsidiary	Country of incorporation and principal operations	Principal activity	Registered office
CentralNic Australia Pty Ltd	Domain Directors Pty Ltd (100 504 596)	Australia	Domain registrar services provider	Level 2, 222 Beach Road, Mordialloc, VIC 3195, Australia
TLD Registrar Solutions Limited	Internet Domain Service BS Corp (171543B)	Commonwealth of The Bahamas	Domain registrar services provider	PO Box SS-19084, Ocean Centre, Montagu Foreshore, East Bay Street, Nassau, New Providence, The Bahamas
TLD Registrar Solutions Limited	Whois Privacy Corp (171546B)	Commonwealth of The Bahamas	Domain registrar services provider	PO Box SS-19084, Ocean Centre, Montagu Foreshore, East Bay Street, Nassau, New Providence, The Bahamas
Asesorias En Dominios Latinoamerica SpA	Domain Under Protection Ltda (05.678.324/00001-05)	Brazil	Local presence domain registrar	Rua Vergueiro 00875 CONJ 44, Bairro Libertade, CEP: 01504-00, Sao Paulo, Brasil
Key-Systems GmbH	Toweb Brazil LTDA (CNPJ 10.424.053/0001-93)	Brazil	Domain registrar services provider	Av. Afonso Pena 423, Praia da Costa, Vilha Velha, Brasil
Safebrands SAS	9269-4785 Quebec Inc. (1168561083)	Canada	Domain registrar services provider	300-575 Rue Saint-Joseph E Quebec, Quebec G1K3B7, Canada
CentralNic Chile SpA	Asesorias En Dominios Latinoamerica SpA (76.757.590-4)	Chile	Domain registrar services provider	Avenida Providencia número 201, oficina 22, comuna de Providencia, Región Metropolitana, Chile
CentralNic Chile SpA	Servicios y Asesorias Computacionales Offpaper SpA (76.346.410-5)	Chile	Domain registrar services provider	Avenida Providencia número 201, oficina 22, comuna de Providencia, Región Metropolitana, Chile
CentralNic Limited	GB.com Limited (03797075)	England and Wales	Dormant	4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR, UK
CentralNic Limited	Helium TLDs Limited* (11354799)	England and Wales	Operator of generic TLDs	4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR, UK
CentralNic Limited	Whois Privacy Limited (07881505)	England and Wales	Dormant	4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR, UK
CentralNic Limited	Whoistrustee.com Limited (09729254)	England and Wales	Dormant	4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR, UK
CentralNic EU SE	Sublime Technology (France) Sarl (531906790)	France	Domain registrar services provider for .FR	2, Rue Robert Geffré Bat n°11-17000 La Rochelle, France
Sublime Technology (France) Sarl	Safebrands S.A.S. (FR 412721524)	France	Domain registrar services provider	37, rue Guibal, 13003 Marseille, France
CentralNic EU SE	CentralNic Germany GmbH (HRB 23747)	Germany	Holding company	Kaiserstraße 172-174, 66386 St. Ingbert, Germany
CentralNic Germany GmbH	Key-Systems GmbH (818835)	Germany	Domain registrar services provider	Kaiserstraße 172-174, 66386 St. Ingbert, Germany
VGL Publishing AG	DA Digitale Arbeit GmbH (HRB 205717)	Germany	Monetisation of internet traffic	Bad Fallingbostel, Pappelallee 78/79, 10437 Berlin, Germany
VGL Publishing AG	GFDK Gesellschaft für digitale Kaufberatung GmbH (HRB 15283)	Germany	Monetisation of internet traffic	Seestraße 85-87, 15755 Schwerin, Germany

Particulars of subsidiaries continued

Parent Company	Subsidiary	Country of incorporation and principal operations	Principal activity	Registered office
CentralNic Germany GmbH(1)	Team Internet AG (HRB 200081)	Germany	Monetisation of internet traffic	Liebherrstr. 22, 80538 Munich, Germany
CentralNic Germany GmbH(1)	Traffic.club IT GmbH (HRB 19295)	Germany	Monetisation of internet traffic	Kaiserstraße 172-174, 66386 St. Ingbert, Germany
CentralNic Germany GmbH(1)	VGL Publishing AG (HRB 243307)	Germany	Monetisation of internet traffic	Oranienstraße 6, 10997 Berlin, Germany
Key-Systems GmbH	1API GmbH (HRB 15683)	Germany	Domain registrar services provider	Kaiserstraße 172-174, 66386 St. Ingbert, Germany
Key-Systems GmbH	Dot Saarland GmbH (HRB19630)	Germany	Registry operator for Saarland	Kaiserstraße 172-174, 66386 St. Ingbert, Germany
Key-Systems GmbH	InterNexum GmbH (HRB 35328)	Germany	Domain registrar services provider	Blumenstraße 54, 02826 Görlitz, Germany
Key-Systems GmbH	PTS GmbH (B100445)	Germany	Domain registrar services provider	Neunkircher Straße 43, 66299 Friedrichsthal
Key-Systems GmbH	RegistryGate GmbH (B181621)	Germany	Domain registrar services provider	Wilhelm-Wagenfeld-Str. 16, 80807 Munich, Germany
Team Internet AG	Team Internet Service GmbH (HRB 287179)	Germany	Provider of services within the Group	Liebherrstr. 22, 80538 Munich, Germany
Instra Corporation Pty Limited	Instra-Internet Services One-Person LLC (997994885)	Greece	Domain registrar services provider for .GR	1 Dimokraatias Square, Thessaloniki, 54629, Greece
Instra Holdings (UK) Limited	Sublime Technology Limited (1064594)	Hong Kong	Domain registrar services provider for .HK	2003, 20/F Towers China Hong Kong City, Tsim Sha Tsui, Kowloon, Hong Kong
Instra Holdings (UK) Limited	Tunglim International Pty Limited (1593163)	Hong Kong	Domain registrar services provider for .CN	2003, 20/F Towers China Hong Kong City, Tsim Sha Tsui, Kowloon, Hong Kong
Safebrands SAS	Mailclub Asia Registrar Services Limited (1171994)	Hong Kong	Dormant	Flat/RM World Trust Tower, 50 Stanley StreetCentral, Hong-Kong City, China
CentralNic Limited	CNIC Services Private Limited (U74999DL2018 FTC337075)	India	Dormant	818, Indraprakash Building 21, Barakhamba Road New Delhi New Delhi Dl 110001
CentralNic EU SE	CentralNic Finance & IP Sarl (B157525)	Luxembourg	Domain registrar services provider	1-3, Boulevard de la Foire, L-1528 Luxembourg
Instra Holdings (UK) Limited	White Label Domains SDN BHD B12 (844839V)	Malaysia	Domain registrar services provider for .MY	No/ 36B, 2nd Floor, Jalan Tun Mohd Fuad 2. Taman Tun Dr Ismail, Kuala Lumpur, 60000, Malaysia
Key-Systems GmbH/ Brandshelter Inc (50% split in ownership)	KS Internet Solutions DE RL DE CV (KISO910211TA)	Mexico	Domain registrar services provider	San Pedro Garza García, N.L., Mexico

Particulars of subsidiaries continued

Parent Company	Subsidiary	Country of incorporation and principal operations	Principal activity	Registered office
Instra Corporation Pty Limited	Instra Domain Directors B.V. (24436342)	The Netherlands	Domain registrar services provider for .NL	Beechavenue 54-62, 1119PW, Schiphol-Rijk, The Netherlands
CentralNic NZ Limited	Ideegeo Group Ltd (2131522)	New Zealand	Domain registrar services provider	c/o Grant Thornton New Zealand, LR, 152, Fanshawe Street, Auckland, 1010, New Zealand
CentralNic EU SE	Commerce Media Tech Sp. z.o.o. (0000830352)	Poland	Monetisation of internet traffic	ul. Lubicz 17 G31-503 Kraków, Poland
Instra Corporation Pty Limited	Instra Corporation PTE Limited (200711838Z)	Singapore	Domain registrar services provider for .SG	c/o Asiabiz Services PTE Ltd, 30 Cecil Street, #19-08, Prudential Tower, Singapore 049712
CentralNic EU SE	SK-NIC A.S. (35 698 446)	The Slovak Republic	Registry operator for .SK	Námestie SNP 14 Bratislava – mestská cˇ ast' Staré Mesto 811 06
CentralNic USA Ltd	Brandshelter Inc (4680526)	USA, Virginia	Domain registrar services provider	885 Harrison St. SE, Leesburg, VA 20175
Brandshelter Inc	Key-Systems LLC (34181990)	USA, Virginia	Domain registrar services provider	885 Harrison St. SE, Leesburg, VA 20175
CentralNic USA Ltd	Moniker.com Inc (P00000072934)	USA, Florida	Domain registrar services provider	6301 NW 5th Way, Suite 4500, Ft Lauderdale, FL 33309. Mailing address: 13727 SW 152nd Street #513, Miami, FL 33177
CentralNic USA Ltd	Intellectual Property Management Company Inc (4626063)	USA, Delaware	Corporate domain management	2140 S DUPONT HWY, Camden, Kent 19934
CentralNic USA Ltd	Adrenalads LLC (201115910035)	USA, California	Monetisation of internet traffic	2923 Bradley St, Pasadena, CA 91107
Moniker.com Inc	Moniker Online Services LLC (L020000016399)	USA, Florida	Domain registrar services provider	13727 SW 152nd Street #513, Miami, FL 33177
Moniker.com Inc	Moniker Privacy Services LLC (M10000001115)	USA, Florida	Domain registrar services provider	13727 SW 152nd Street #513, Miami, FL 33177

(1) Previously owned by CentralNic Holding GmbH. During the year CentralNic Germany GmbH merged with CentralNic Holding GmbH.

During the year Wando Internet Solutions GmbH, Fireball Search GmbH and Qeonix Digital Media Agency UG merged with Traffic.club IT GmbH so are no longer listed as subsidiaries as at 31 December 2023.

Particulars of subsidiaries continued

The companies listed below are 100% subsidiaries of Group companies and only have ordinary share capital unless otherwise stated.

Subsidiary	Country of incorporation and principal operations	Principal activity	Registered office
CentralNic Australia Pty Ltd (609 143 599)	Australia	Holding company	Collins Square, Tower 5, Level 22, 727 Collins St, Docklands VIC 3008, Australia
CentralNic Canada Inc. (BC1239317)	Canada, British Columbia	Holding company	Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, BC V6C 2B5
CentralNic Chile SpA (14524)	Chile	Holding company	Premio Nobel 1762, Ñuñoa, Región Metropolitana, 7800179, Chile
CentralNic Group Limited (1495506)	England and Wales	Dormant company	4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR
CentralNic Limited* (04985780)	England and Wales	Domain registry services provider	4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR
Hoxton Domains Limited* (09332447)	England and Wales	Aftermarket domain services	4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR
Instra Holdings (UK) Limited* (09877716)	England and Wales	Holding company	4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR
Team Internet Limited (14955471)	England and Wales	Dormant company	4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR
TLD Registrar Solutions Limited* (07629187)	England and Wales	Domain registrar services provider	4th Floor, Saddlers House, 44 Gutter Lane, London EC2V 6BR
M.A. Aporia Ltd (515353621)	Israel	Monetisation of internet traffic	Masda 5, Ramat Hasharon 4729097, Israel
CentralNic EU SE (B224488)	Luxembourg	Holding company	1-3, Boulevard de la Foire, L-1528 Luxembourg
CentralNic NZ Limited (5846027)	New Zealand	Holding company	C/o Grant Thornton New Zealand, LR, 152, Fanshawe Street, Auckland, 1010, New Zealand
CentralNic Services DWC-LLC (10217)	UAE	Holding company	Business Center Logistics City, Dubai Aviation City, P.O. Box: 390667, Dubai, U.A.E.
CentralNic USA Limited (C3183691)	USA, California	Holding company	C T Corporation System, 818 West 7th Street, Los Angeles, CA 90017

S479A Exemption from audit of subsidiary companies

Certain UK companies have elected to make use of the audit exemption, for non-dormant subsidiaries, under section 479A of the Companies Act 2006. In order to fulfil the conditions, set out in the regulations, the Company has given a statutory guarantee of all outstanding liabilities to which the subsidiaries are subject at the end of the financial year to 31 December 2023. The UK companies which have made use of the audit exemption are marked with an asterisk (*) in the tables above.

Shareholder information

Financial calendar

Annual General Meeting

The Annual General Meeting is due to take place on Thursday, 18 April 2024 at 9.00am.

Announcements

- Interim unaudited results for the three-month period ended 31 March 2024 are expected in May 2024.
- Interim unaudited results for the six-month period ended 30 June 2024 are expected in August 2024.
- Interim unaudited results for the nine-month period ended 30 September 2024 are expected in November 2024.
- Full-year audited results for the twelve-month period ended 31 December 2024 are expected in March 2025.
- Dates are correct at the time of printing, but are subject to change.

Directors

Iain McDonald (Chairman)

Michael Riedl (Chief Executive Officer)

William Green (Chief Financial Officer)

Samuel Dayani (Non-Executive Director)

Marie Holive (Non-Executive Director)

Claire MacLellan (Non-Executive Director)

Max Royde (Non-Executive Director)

Horst Siffrin (Non-Executive Director)

Company Secretary

Cleopatra Sotiropoulou

Registered office

4th Floor, Saddlers House
44 Gutter Lane
London EC2V 6BR

Company website

www.teaminternet.com

Nominated Adviser and Joint Broker

Zeus Capital Limited

82 King Street
Manchester M2 4WQ
125 Old Broad Street, 12th Floor
London EC2N 1AR

Joint Broker

Joh. Berenberg, Gossler & Co. KG

60 Threadneedle Street
London EC2R 8HP

Auditor

Crowe U.K. LLP

55 Ludgate Hill
London EC4M 7JW

Solicitors to the Company

Knights Professional Services Limited

400 Dashwood Lang Road, Weybridge
Surrey KT15 2HJ

Financial PR

SEC Newgate

14 Greville Street
London EC1N 8SB

Bankers

HSBC UK Bank plc

89 Buckingham Palace Road
London SW1W 0QL

Company registrars

Link Group

10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL

Link Group is our registrar and they offer many services to make managing your shareholding easier and more efficient.

Shareholder information continued

Share portal

The share portal is a secure online site where you can manage your shareholding quickly and easily. You can:

- view your holding and get an indicative valuation;
- change your address;
- arrange to have dividends paid into your bank account;
- request to receive Shareholder communications by email rather than post;
- view your dividend payment history;
- make dividend payment choices;
- buy and sell shares and access a wealth of stock market news and information;
- register your proxy voting instruction; and
- download a stock transfer form.

To register for the share portal just visit www.signalshares.com. All you need is your investor code, which can be found on your share certificate or your dividend tax voucher.

Customer support centre

Alternatively, you can contact Link's Customer Support Centre which is available to answer any queries you have in relation to your shareholding:

By phone – UK: 0371 664 0300. From overseas: +44 371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate.

Lines are open between 9.00am to 5.30pm, Monday to Friday, excluding public holidays in England and Wales.

By email – shareholderenquiries@linkgroup.co.uk

By post – Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Sign up to electronic communications

Help us to save paper and get your Shareholder information quickly and securely by signing up to receive your Shareholder communications by email.

Registering for electronic communications is very straightforward. Just visit www.signalshares.com. All you need is your investor code, which can be found on your share certificate or your dividend tax voucher.

Donate your shares to charity

If you have only a small number of shares which are uneconomical to sell you may wish to donate them to charity free of charge through ShareGift (Registered Charity 10528686). Find out more at www.sharegift.org.uk or by telephoning 020 7930 3737.

Share fraud warning

Share fraud includes scams where investors are called out of the blue and offered shares that often turn out to be worthless or non-existent, or an inflated price for shares they own. These calls come from fraudsters operating in 'boiler rooms' that are mostly based abroad.

While high profits are promised, those who buy or sell shares in this way usually lose their money.

The Financial Conduct Authority (FCA) has found most share fraud victims are experienced investors who lose an average of GBP 20,000, with around GBP 200 million lost in the UK each year.

PROTECT YOURSELF

If you are offered unsolicited investment advice, discounted shares, a premium price for shares you own, or free company or research reports, you should take these steps before handing over any money:

- get the name of the person and organisation contacting you;
- check the Financial Services Register at http://www.fca.org.uk/ to ensure they are authorised;
- use the details on the FCA Register to contact the firm;
- call the FCA Consumer Helpline on 0800 111 6768 if there are no contact details on the Register or you are told they are out of date; and
- search our list of unauthorised firms and individuals to avoid doing business with.

REMEMBER: if it sounds too good to be true, it probably is!

If you use an unauthorised firm to buy or sell shares or other investments, you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme (FSCS) if things go wrong.

REPORT A SCAM

If you are approached about a share scam you should tell the FCA using the share fraud reporting form at http://www.fca.org.uk/ scams, where you can find out about the latest investment scams. You can also call the Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040.

Identity theft

Tips for protecting your shares in the Company:

- ensure all your certificates are kept in a safe place or hold your shares electronically in CREST via a nominee;
- keep correspondence from us and Link in a safe place and destroy any unwanted correspondence by shredding;
- if you change address, inform Link in writing or update your address online via the share portal. If you receive a letter from Link regarding a change of address but have not moved, please contact them immediately;
- consider having your dividend paid directly into your bank. This will reduce the risk of the cheque being intercepted or lost in the post. If you change your bank account, inform Link of the details of your new account. You can do this by post or online via the share portal;
- if you are buying or selling shares, only deal with brokers registered and authorised to carry out that type of business; and
- be wary of phone calls or emails purporting to come from us or Link asking you to confirm personal details or details of your investment in our shares. Neither we nor Link will ever ask you to provide information in this way.

Glossary

Adtech
An umbrella term for advertising technology

Application Programming Interface or 'API'
A software intermediary that allows two applications to talk to each other

Artificial Intelligence or 'AI'
The theory and development of computer systems able to perform tasks normally requiring human intelligence, such as visual perception, speech recognition, decision-making and translation between languages

Cost Per Click or 'CPC'
The price paid for each click in pay-per-click (PPC) marketing campaigns

Cost Per Thousand or 'CPM'
A marketing term that refers to the cost that an advertiser pays per one thousand advertisement impressions on a web page

Country Code Top-Level Domain or 'ccTLD'
An internet top-level domain generally used or reserved for a country, a sovereign state, or a dependent territory e.g. .uk, .jp

Demand-Side Platform or 'DSP'
A system that allows buyers of digital advertising inventory to manage multiple ad exchange and data exchange accounts through one interface

Domain Name Registrar
An organisation or commercial entity that manages the reservation of internet domain names

Domain Name System or 'DNS'
A hierarchical distributed naming system for computers, services, or any resource connected to the internet or a private network

Enterprise Management Incentive or 'EMI'
A tax-advantaged share option scheme designed to retain employees (Note: Team Internet no longer qualifies to issue new EMIs and only historic issues have been noted in this report)

Environmental, Social and Governance or 'ESG'
ESG criteria are a set of standards for a company's operations. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and Shareholder rights

The General Data Protection Regulation or 'GDPR'
The General Data Protection Regulation (GDPR) is a legal framework that sets guidelines for the collection and processing of personal information from individuals who live in the European Union (EU)

Global Reporting Initiative or 'GRI'
Global Reporting Initiative (known as GRI) is an international independent standards organisation that helps businesses, governments and other organisations understand and communicate their impacts on issues such as climate change, human rights and corruption

Human Resource Information System or 'HRIS'
Software that stores, manages and tracks employee-related data

Identifier for Advertisers or 'IDFA'
IDFA is a random device identifier assigned by Apple to a user's device. Advertisers use this to track data so they can deliver customised advertising. The IDFA is used for tracking and identifying a user without revealing personal information

International Telecommunication Union or 'ITU'
The International Telecommunication Union is the United Nations specialised agency for information and communication technologies (ICTs)

Internet Corporation for Assigned Names and Numbers or 'ICANN'
A non-profit private organisation that was created to oversee a number of internet-related tasks previously performed directly on behalf of the US Government

Long Term Incentive Plan or 'LTIP'
Executive share option plans that reward executives for reaching specific goals that lead to increased Shareholder value

The Office of Foreign Assets Control or 'OFAC'
The Office of Foreign Assets Control (OFAC) is a department of the US Treasury that is charged with enforcing economic and trade sanctions imposed by the US against countries and groups of individuals

Glossary continued

Quoted Companies Alliance or 'QCA'
The QCA publishes the 'QCA Code' which is an approach to corporate governance that is tailored for small and mid-sized quoted companies in the UK

Registry Operator
An entity that maintains the database of domain names for a given top-level domain and generates the zone files which convert domain names to IP addresses. It is responsible for domain name allocation and technically operates its top-level domain, sometimes by engaging a Registry Service Provider

Registry Service Provider
A company that performs the technical functions of a TLD on behalf of the TLD owner or licensee. The registry service provider keeps the master database and operates DNS servers to allow computers to route internet traffic using the DNS

Top-Level Domain or 'TLD'
A top-level domain is one of the domains at the highest level in the Domain Name System of the Internet. For example, in the domain name 'www.teaminternet.com', the top-level domain is .com

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www.fsc.org
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