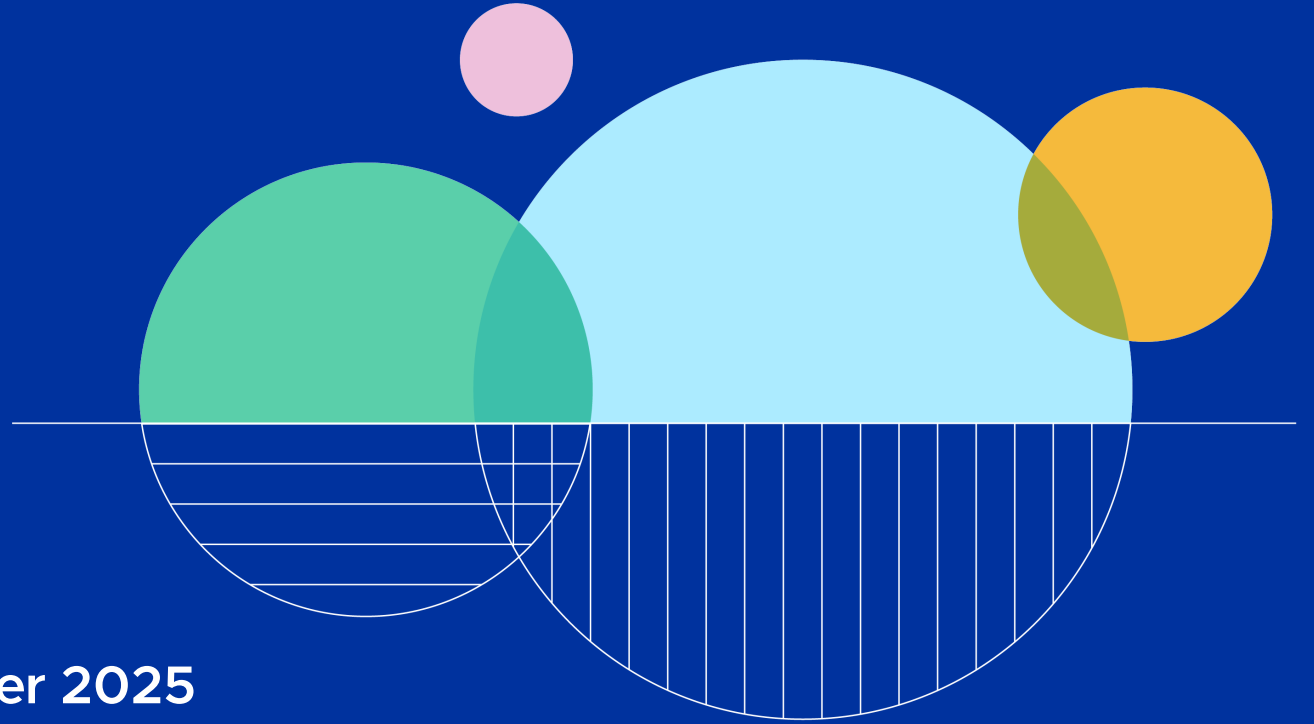


NOMINET UK HALF YEAR FINANCIAL UPDATE

For the six months ended 30 September 2025



Introduction



Dear members,

I'm pleased to share the half-year financial update for the six months ending 30 September 2025.

Domains under management across the .UK portfolio stood at **10.2m**, a decrease of **0.2m** versus the same period in the prior year (10.4m) but has stabilised since March 2025. The average .UK renewal rate in Q1 FY26 was **79.9%**, up **3.7%** compared to Q1 FY25 (76.2%). Registrations for the period were **0.8m** - 5% ahead of the same period last year.

Revenue for the half year was **£25.7m**, down £1.8m year-on-year. DNS revenues fell by £1.4m, primarily due to the loss of the UK PDNS contract (for which there was 6 months revenue in last financial year). This was partially offset by revenue from the NHS contract secured in the prior financial year. Registry revenues decreased by £0.4m, reflecting lower .UK family revenue linked to the decline in domains under management.

Despite these revenue pressures, surplus before depreciation remained broadly flat year-on-year with the decrease in Registry offset by an improvement in DNS. **Operating surplus** (after depreciation and Public Benefit) **improved significantly to £1.0m**, a £3.6m increase on prior year, driven by lower Public Benefit spend. Investment income was strong at £8.0m, reflecting

favourable market conditions, but we continue to be mindful of market volatility.

We continued to invest in infrastructure, with **£3.0m** of capital expenditure, including completion of the EPR platform and ongoing registry standardisation project. Net assets increased to **£102.9m**, supported by gains in the investment portfolio, which rose to **£96.5m**.

Public benefit remains a core priority, with **£2.7m** distributed to social impact activities, including £0.8m from the Charities Aid Foundation (CAF) account. Major grants included £1.7m to the Institute of Coding and £0.8m to Good Things Foundation.

Looking ahead, our focus remains on delivering secure, reliable domain services and continuously investing in our registry technology. While market conditions remain unpredictable, we are well positioned to maintain financial stability and continue creating positive impact.



Carolyn Bedford
CFO and Executive Director



Key statistics



For the six months ended 30 September 2025 showing variance against same period prior year



*Includes funding via CAF (£0.8m FY26/£0.1m FY25)

Assets & Cash Flow



Assets at 30 September 2025, cashflow for the six months ended 30 September 2025 showing variance against same period prior year

£102.9m +£4.9m Net assets Increase driven by operating surplus less tax and restructuring costs alongside gains on investments	£96.5m +£8.1m Investment portfolio value This reflects significant market-driven increases in the investment portfolio valuation, with no withdrawals during the period.	£3.0m -£0.9m Capital expenditure - Includes £1.3m on completion of EPR, with the platform going live in September 2025. £0.8m on registry standardisation.	£2.3m -£0.1m Net cash inflow - Inflows include £7.3m from operating activities. - Outflows include £2.1m for public benefit and £3.0m for capex.
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Financial results

For the six months ended 30 September 2025



Registry	- The revenue variance is primarily driven by a decrease in .UK family revenue due to a decline in .UK DUM. - The decreased surplus reflects this revenue decrease, together with marginally higher staff costs, higher customer opex linked to higher IT expenses related to DHI initiative and increased co-marketing activity.
DNS	- Revenue decreased overall due to the loss of the UKPDNS contract (£2.4m), partially offset by £1.2m of new revenue from the NHS. - Despite the reduction in revenue, surplus increased as a result of opex savings following the loss of the UKPDNS contract (Threat Feed costs) and cloud hosting savings (AWS). The increased surplus also reflects the FY25 restructure, which created a single customer team and reduced the number of staff in roles dedicated to DNS (previously Cyber business unit).
Public Benefit	The beneficiaries of our grants over £250k in FY26 are shown on page 6.
Other	Investment income of £8.0m September YTD reflects record market highs driven by AI-driven growth and the prospect of lower interest rates.

For the 6 months to September			
£m	FY26	FY25	Var to Prior yr
Revenue			
Registry	19.9	20.3	(0.4)
DNS	5.8	7.2	(1.4)
Total Revenue	25.7	27.5	(1.8)
Surplus by business unit			
Registry	3.9	5.2	(1.3)
DNS	2.8	1.6	1.2
Surplus (before depreciation)	6.7	6.8	(0.1)
Surplus % (before depreciation)	25.9%	24.7%	1.2%
Depreciation and amortisation	(3.5)	(3.2)	(0.3)
Public benefit	(2.1)	(5.1)	3.0
Restructuring costs	(0.1)	(1.1)	1.0
Operating surplus	1.0	(2.6)	3.6
Surplus %	4.0%	(9.5%)	13.5%
Investment income	8.0	2.5	5.5
Tax	(2.2)	0.3	(2.5)
Net surplus	6.8	0.2	6.6

Notes
For the variance columns against prior year:
Positive variance value = higher revenue or lower cost
Negative variance value = lower revenue or higher cost

Public benefit

Grants over £250k



Recipient	Amount £k
Institute of Coding	1,675
Good Things Foundation	750



The **Nominet DNS Fund** has been set up as part of Nominet’s work to support the Internet Community and was launched at the Member Conference in September 2025.

Primary goal: Fund and improve the security, long-term sustainability, and resilience of DNS open-source projects.

Focus: Open-source critical infrastructure components relevant to the development, deployment, and operation of the global DNS.

Funding available: £370,000 available in this round (FY26), with a maximum of £100k per applicant.

Funding overall

For the six months ended 30 September 2025

£2.9m	£1.9m	£0.8m
Spent overall	Paid to beneficiaries in FY26	Paid from CAF account (not impacting FY26 P&L)



.UK Family

5.0%

FY26 registrations were 0.80m in six months to 30 September 2025, 5.% up on H1 FY25 (0.76m)

3.7%

The average .UK final renewal rate in Q1 FY26 was 79.9%, up 3.7% compared to Q1 FY25 (76.2%)

1.8%

Overall DUM of 10.2m as at end September 2025, a decrease of 1.8% versus prior year (10.4m)

We are continuing our work on domain health to ensure we deliver safe, reliable and secure domain name services.

