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If you have sold or transferred all of your Existing Ordinary Shares in CentralNic Group Plc, (the "Company") please send this document as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold part only of your holding of Existing Ordinary Shares in the Company, you should retain this document.

Application has been made for the entire issued and to be issued share capital of the Company, to be admitted to trading on AIM, a market operated by the London Stock Exchange plc. It is expected that Admission will become effective, and dealings in the Ordinary Shares will commence on 2 September 2013. The Existing Ordinary Shares are not dealt on any other recognised investment exchange and no application has been or is being made for the Ordinary Shares to be admitted to any such exchange.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required, pursuant to the AIM Rules for Companies published by London Stock Exchange plc (the "AIM Rules"), to have a nominated adviser. The nominated adviser is required to make a declaration to London Stock Exchange plc on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the United Kingdom Listing Authority nor the London Stock Exchange plc have examined or approved the contents of this document.

Prospective investors should read the whole text of this document and should be aware that an investment in the Company is speculative and involves a high degree of risk and prospective investors should carefully consider the section entitled "Risk Factors" set out in Part II of this document. All statements regarding the Company's business, financial position and prospects should be viewed in light of these risk factors.

This copy of this document, which is drawn up as an admission document in accordance with the AIM Rules, has been issued in connection with the application for admission to trading on AIM of the entire issued and to be issued ordinary share capital of the Company. This document does not constitute an offer to the public requiring an approved prospectus under section 85 of FSMA and, accordingly, this document does not constitute a prospectus for the purposes of FSMA and the Prospectus Rules and has not been pre-approved by the Financial Conduct Authority ("FCA") pursuant to section 85 of FSMA.

The Directors, Proposed Directors and the Company accept responsibility, both individually and collectively, for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors and Proposed Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such document.



CentralNic Group Plc

(Incorporated and registered in England and Wales with registered number 8576358)

Placing of 9,090,909 new Ordinary Shares at 55p per Ordinary Share Vendor Placing of 3,636,364 Ordinary Shares at 55p per Ordinary Share and Admission to trading on AIM

Nominated Adviser and Broker:

Zeus Capital

Expected share capital immediately following Admission

<i>Number</i>	<i>Issued and fully paid</i>	<i>Amount £</i>
59,090,909	ordinary shares of 0.1 pence each	59,091

The Placing is conditional, *inter alia*, on Admission taking place by 8.00 a.m. on 2 September 2013 (or such later date as the Company and Zeus Capital Limited ("Zeus Capital") may agree, being not later than 6 September 2013). The Placing Shares will, upon Admission, rank *pari passu* in all respects and will rank in full for all dividends and other distributions declared paid or made in respect of the Ordinary Shares after Admission. It is emphasised that no application is being made for the Enlarged Share Capital to be admitted to the Official List of the UK Listing Authority or to any other recognised investment exchange.

Zeus Capital, which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser and broker to the Company in connection with the proposed admission of the Enlarged Share Capital to trading on AIM. Its responsibilities as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or Proposed Director or to any other person in respect of his decision to acquire shares

in the Company in reliance on any part of this Document. No representation or warranty, express or implied, is made by Zeus Capital as to any of the contents of this Document (without limiting the statutory rights of any person to whom this Document is issued). Zeus Capital will not be offering advice and will not otherwise be responsible to anyone other than the Company for providing the protections afforded to customers of Zeus Capital or for providing advice in relation to the contents of this Document or any other matter.

This Document does not constitute an offer to sell or an invitation to subscribe for, or solicitation of an offer to subscribe for or buy, shares to any person in any jurisdiction to whom it is unlawful to make such offer, invitation or solicitation. In particular, this Document must not be taken, transmitted, distributed or sent, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan or the Republic of South Africa or transmitted, distributed or sent to, or by, any national, resident or citizen of such countries. Accordingly, neither the Existing Ordinary Shares or the Placing Shares may, subject to certain exceptions, be offered or sold, directly or indirectly, in, or into, the United States of America, Canada, Australia, Japan or the Republic of South Africa or in any other country, territory or possession where to do so may contravene local securities laws or regulations. The Existing Ordinary Shares and the Placing Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under the securities legislation of any state of the United States of America, any province or territory of Canada, Australia, Japan or the Republic of South Africa and they may not be offered or sold, directly or indirectly, within the United States of America or Canada, Australia, Japan or the Republic of South Africa or to or for the account or benefit of any national, citizen or resident of the United States of America, Canada, Australia, Japan or the Republic of South Africa or to any US person (within the definition of Regulation S made under the United States Securities Act 1933 as amended).

The distribution of this Document outside the UK may be restricted by law. No action has been taken by the Company or Zeus Capital that would permit a public offer of shares in CentralNic or possession of this Document where action for that purpose is required. Persons outside the UK who come into possession of this Document should inform themselves about the distribution of this Document in their particular jurisdiction. Failure to comply with those restrictions may constitute a violation of the securities laws of such jurisdiction.

No person has been authorised to give any information or to make any representation about the Company and about the matters the subject of this document other than those contained in this document. If any such information or representation is given or made then it must not be relied upon as having been so authorised. The delivery of this document shall not imply that no change has occurred in the Group's affairs since the date of issue of this document or that the information in this document is correct as at any time after the date of this document, save as shall be required to be updated by law or obligation.

The information contained in this document has been prepared solely for the purpose of the admission of the Company's entire issued and to be issued share capital to trading on AIM and is not intended to inform or be relied upon by any subsequent purchaser of shares in the Company and accordingly no duty of care is accepted in relation to them. Zeus has not authorised the contents of any part of this document, and no liability is accepted by Zeus Capital for the accuracy of any information or opinions contained in this document, or the omission of any material information from this document, for which the Company and Directors are solely responsible.

Publication on website and availability of hard copies

Copies of this Document are available, free of charge, from the Company's registered office and at the offices of Zeus Capital Limited, 3 Ralli Courts, West Riverside, Manchester M3 5FT, from the date of this Document until one month from Admission.

You may request a hard copy of this Document and all other information, documents and announcements by contacting Zeus Capital on +44 (0)161 831 1512. This Document will also be available for download from the Company's website, www.centralnic.com.

The reading of the summary cannot substitute for the reading of the entire Document.

Forward – looking statements

This Document includes "forward-looking statements" which includes all statements other than statements of historical facts, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations and any statements preceded by, followed by or that include forward-looking terminology such as the words "targets", "believes", "estimates" "expects", "aims", "intends", "can", "may", "anticipates", "would", "should", "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future.

Among the important factors that could cause the Company's actual results, performance or achievements to differ materially from those in forward-looking statements include those factors in Part II entitled "Risk Factors" and elsewhere in this Document. These forward-looking statements speak only as at the date of this Document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. As a result of these factors, the events described in the forward-looking statements in this Document may not occur.

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KEY STATISTICS

Existing Share Capital at the date of this Document

Current number of Existing Ordinary Shares of 0.1p each in issue	50,000,000
Number of Options in issue	2,550,000
Number of Warrants in issue	1,772,727

Placing Shares

Number of Placing Shares	9,090,909
Percentage of Enlarged Share Capital represented by the Placing Shares	15.38%
Placing Price	55p
Gross Proceeds of the Placing	£5,000,000
Estimated net proceeds of the Placing	£4,400,000

Upon Admission

Number of Ordinary Shares in issue at Admission	59,090,909
Number of Options in issue at Admission	3,576,000
Number of Warrants in issue at Admission	1,772,727
Approximate market capitalisation of the Company at Admission ⁽¹⁾	£32,500,000
AIM symbol	CNIC
ISIN number	GB00BCCW4X83

Notes

- (1) This is based on the Placing Price and on the assumption that the Options and Warrants have not been exercised. If the Options or Warrants are exercised in full then the market capitalisation at Admission, based on the Placing Price, would be approximately £35.4 million.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

2013

Publication of this Admission Document	13 August
Admission and commencement of dealings in the Enlarged Issued Share Capital on AIM	8.00 a.m. on 2 September
CREST accounts credited (where applicable)	2 September
Despatch of definitive share certificates (where applicable)	9 September

Notes

1. References to times in this document are to London (BST) time.
2. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on an RIS.

DIRECTORS, PROPOSED DIRECTORS AND ADVISERS

Directors:	John Paul Swingewood (<i>Chairman</i>) Benjamin Peter Crawford (<i>Chief Executive Officer</i>) Donald Ahelan Baladasan (<i>Chief Financial Officer</i>) Robert Ronald Pooke (<i>Executive Director</i>) Samuel Mansour Joseph Dayani (<i>Non-Executive Director</i>)
Proposed Directors:	Thomas Johannes Rickert (<i>Non-Executive Director</i>) Thomas Clifford Pridmore (<i>Non-Executive Director</i>) all of
Registered Office:	35-39 Moorgate, London EC2R 6AR
Company Secretary:	Donald Baladasan
Company website:	www.centralnic.com
Nominated Adviser and Broker:	Zeus Capital Limited 3 Ralli Courts West Riverside Manchester M3 5FT 23 Berkeley Square Mayfair London W1J 6HE
Auditors and Reporting Accountants:	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London EC4Y 8EH
Solicitors to the Company:	DWF LLP Capital House 85 King William Street London EC4N 7BL
Solicitors to the Nominated Adviser and Broker:	DAC Beachcroft LLP 100 Fetter Lane London EC4A 1BN
Financial PR:	Bell Pottinger LLP 6th Floor Holborn Gate London WC1V 7QD
Company Registrars:	Capita Registrars Ltd The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Bankers:	HSBC Bank plc The Registry 89 Buckingham Palace Road London SW1W 0QL

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Act”	the Companies Act 2006
“Admission”	admission of the Enlarged Share Capital to trading on AIM becoming effective in accordance with rule 6 of the AIM Rules
“Admission Document” or “Document”	this document dated 13 August 2013
“AIM”	the market of that name operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange from time to time (including, without limitation, any guidance notes or statements of practise) which govern the rules and responsibilities of companies whose shares are admitted to trading on AIM
“Articles”	the articles of association of the Company adopted on 12 August 2013
“CentralNic”	CentralNic Limited, a company incorporated in England and Wales with company number 04985780
“CCW”	Crowe Clarke Whitehill LLP
“certificated” or “in certificated form”	recorded on the relevant register of the share or security concerned as being held in certificated form (that is not in CREST)
“Company”	CentralNic Group Plc, a company incorporated in England and Wales with company number 8576358
“Company Registrars”	Capita Registrars Limited
“Corporate Governance Code”	the UK Corporate Governance Code published in September 2012 by the Financial Reporting Council
“CREST”	the computer based system and procedures which enable title to securities to be evidenced and transferred without a written instrument, administered by Euroclear UK & Ireland
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (as amended from time to time)
“Directors” or “Board”	the directors and Proposed Directors of the Company as at the date of this Document, whose details are set out on page 6 of this Document
“EIS”	enterprise investment scheme, a venture capital tax relief scheme approved by HMRC
“Erin”	Erin Finance and Invest Limited, a company incorporated in the British Virgin Islands with company number 381859
“Enlarged Share Capital”	the entire issued Ordinary Share capital of the Company as enlarged by the issue of the Placing Shares

“Euroclear UK & Ireland”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales (with registered number 02878738) and the operator of CREST
“Existing Ordinary Shares”	the 50,000,000 Ordinary Shares issued as at the date of this Document
“FCA”	Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“Group”	the Company and its subsidiary undertakings
“Locked In Parties”	the Directors and Erin
“London Stock Exchange”	London Stock Exchange plc
“Options”	the Ordinary Shares under Option further details of which are contained in paragraph 6 of Part VI of this Document
“Option Holders”	the holders of Options
“Ordinary Shares”	ordinary shares of 0.1 pence each in the capital of the Company
“Placees”	the subscribers for and purchasers of Placing Shares pursuant to the Placing
“Placing”	the conditional placing of the Placing Shares by Zeus Capital, as agent for the Company, pursuant to the Placing Agreement
“Placing Agreement”	the conditional agreement dated 12 August 2013 between (1) the Company, (2) the Directors and (3) Zeus Capital relating to the Placing, further details of which are set out in paragraph 9.2 of Part VI of this Document
“Placing Price”	55 pence per Placing Share
“Placing Shares”	the 9,090,909 new Ordinary Shares to be issued pursuant to the Placing
“Proposals”	the Placing and Admission
“Proposed Directors”	Thomas Rickert and Thomas Pridmore who have each agreed to act as Directors conditional only on Admission
“Prospectus Rules”	the Prospectus Rules made by the FCA pursuant to sections 73(A)(1) and 4 of FSMA
“RIS”	Regulatory Information Service
“Shareholder(s)”	holders of Ordinary Shares
“UK”	the United Kingdom of Great Britain and Northern Ireland
“UK Listing Authority”	the FCA, acting in its capacity as the competent authority for the purposes of FSMA
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

“US”	the United States of America and all of its territories and possessions
“VAT”	value added tax
“VCT”	venture capital trust, a venture capital tax relief scheme approved by HMRC
“Vendors”	those shareholders selling shares in the Vendor Placing, being John Swingewood, Robert Pooke, Jeremy Finn, Erin and Jabella Group Limited
“Vendor Placing”	the conditional placing of the Vendor Placing Shares by Zeus Capital, as agents of the Vendor Placees, pursuant to the Vendor Placing Agreements
“Vendor Placing Agreements”	the conditional agreements dated 12 August 2013 between (1) the Vendors and (2) Zeus Capital relating to the Vendor Placing
“Vendor Placing Shares”	3,636,364 Existing Ordinary Shares, in aggregate, to be sold by the Vendors pursuant to the Vendor Placing
“Warrants”	the warrants over Ordinary Shares , further details of which are set out in paragraph 9.3 of Part VI of this Document
“Warrant Holders”	the holders of Warrants
“Zeus Capital”	Zeus Capital Limited, a company incorporated in England and Wales with company number 04417845
“£” or “Sterling”	British pounds sterling

GLOSSARY

Top Level Domain or 'TLD'	the suffix attached to internet domain names e.g., .com, .net
Second Level Domain or 'SLD'	a domain that is directly below a top-level domain
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
Domain Name System or 'DNS'	a hierarchical distributed naming system for computers, services, or any resource connected to the Internet or a private network
Domain Name Registrar	an organization or commercial entity that manages the reservation of Internet domain names
Registry Service Provider	a company that runs the operations of a TLD on behalf of the TLD owner or licensee. The registry service provider keeps the master database and generates zone files to allow computers to route Internet traffic using the DNS
The Internet Corporation for Assigned Names and Numbers or 'ICANN'	a nonprofit private organization that was created to oversee a number of Internet-related tasks previously performed directly on behalf of the U.S. government
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
Internet Protocol version 6 (IPv6)	the latest revision of the Internet Protocol (IP), the communications protocol that provides an identification and location system for computers on networks and routes traffic across the Internet

EXECUTIVE SUMMARY

The following information is derived from, and should be read in conjunction with, the whole of this Document including in particular the section headed Risk Factors relating to the Company in Part II of this Document. Shareholders should read the whole of this Document and not rely on this Executive Summary section.

1. INTRODUCTION

CentralNic, a wholly owned subsidiary of the Company, is a registry service provider (“RSP”), which derives revenues from the sale of internet domain names. CentralNic uses its in-house developed IT platform to distribute its own portfolio of domain names to a global network of “registrars” (retailers such as Network Solutions, LLC), which sell these to end users. It also uses this platform to sell domain names owned by third parties, normally on a revenue share basis. Further, CentralNic provides consultancy services to companies seeking to create their own domains.

Following recent industry developments and regulatory changes, CentralNic expects, by virtue of its contracts and relationships, to benefit from a major expansion in the number of generic top level domains (“gTLDs”) such as **.wiki** and **.college**, which are expected to be operating from the end of 2013.

2. THE DOMAIN NAME INDUSTRY

A domain name is a unique sequence of characters used to identify the address for a website on the internet or the sender of an electronic mail sent via the internet. Every website has a domain name associated with it. The Domain Name System (“DNS”) is the core infrastructure of the internet. It supports the system of hypertext links and allows software such as browsers, search engines and email clients, as well as web site developers, to build their programmes.

As at December 2012, there were approximately 252 million domain names registered worldwide, with renewal fees worth an estimated \$4bn annually. There are currently 22 gTLDs (such as **.com**, **.net** and **.org**), 270 ccTLDs (such as **.co.uk** and **.de**) and around 30 second level domain extensions (“SLDs”). The 24 domain names in CentralNic’s portfolio are SLDs, which represent a small, but profitable, part of the market.

ICANN is introducing new gTLDs to promote competition and expand customer choice. This programme will also enable brands, corporations and governments to run their own domains. Between January and June 2012, ICANN accepted applications for a new round of gTLD names in what is the largest expansion in the history of the internet’s Domain Name System. CentralNic has contracted to act as RSP for applicants of 60 new gTLDs.

3. INFORMATION ON CENTRALNIC

CentralNic acts for the owners of TLDs and SLDs (also known as registry operators) providing the DNS infrastructure and distribution of their domains through retailers (also known as registrars) who in turn sell the domains to individuals and corporate customers.

In addition to the services provided to the registry operators, CentralNic also owns a portfolio of 24 domain names including **.uk.com** and **.eu.com**, which enables it to market subdomains such as **avon.uk.com** to customers through its distribution network. Additionally, CentralNic has contracts to provide registry and distribution services for seven other domains including two country codes, **.LA** and **.PW**.

This existing business has already proven to be profitable and cash-generative, as its characteristics include:

- (i) revenues are received in advance, often for multiple years;
- (ii) most of the top 50 registrars (by domains under management) maintain a credit balance with CentralNic, which is automatically topped up;
- (iii) the actual domain name inventory is created automatically at the time of purchase, so there are no cost of sales or inventory holding costs; and
- (iv) to retain their domain names, website owners are required to pay periodic renewal fees, creating an annuity income for CentralNic.

4. STRATEGY

The Company has a four pronged expansion strategy:

- (i) increasing volumes through provision of core registry services;
- (ii) investment in new gTLDs;
- (iii) investment in Registrar business; and
- (iv) developing Markets.

CentralNic was contracted by clients applying for 60 new gTLDs and those that have completed the ICANN initial evaluation process have all passed. ICANN has published the full list of applications that have been made for new gTLDs, which shows that 25 of the applications made by CentralNic's clients are currently uncontested. These include:

- **.wiki**, the TLD for one of the world's best known website types;
- **.xyz**, a truly generic TLD suitable for any website;
- **.rest**, the global TLD for restaurants;
- **.feedback**, the TLD for feedback forms and applications;
- **.PID**, short for 'Personal ID', this TLD is for individual websites;
- **.fans**, the TLD for fan sites;
- **.contact**, the TLD for contact forms and applications;
- **.ink**, the TLD for tattoos;
- **.reit**, for real estate investment trusts;
- **.bar**, the TLD for bars; and
- **.college**, fills a gap in the market as .edu is restricted to one domain per college and solely in the USA.

CentralNic has also identified opportunities to add to its domain portfolio by winning government contracts to operate country codes for developing nations, particularly in Africa. These ccTLDs can be distributed globally via CentralNic's retail network, as well as serving the populations of the domestic emerging markets where internet penetration is just starting to explode.

5. FINANCIAL INFORMATION

Part III of this Document contains historical financial information on the Group.

The following financial information has been derived from the financial information contained in Part III of this Document and should be read in conjunction with the full text of this Document. Investors should not rely solely on the summarised information.

	<i>Year ended 31 December 2010 £'000</i>	<i>Year ended 31 December 2011 £'000</i>	<i>Year ended 31 December 2012 £'000</i>
Revenue	1,857	2,531	2,933
Cost of sales	(824)	(988)	(1,194)
Gross profit	1,033	1,543	1,739
Administrative expenses	(785)	(1,058)	(904)
Profit before taxation	248	485	835
Income tax expense	(64)	(83)	(242)
Profit after taxation	184	402	593

6. PLACING AND USE OF FUNDS

The Company is proposing to raise £5 million (before expenses) by way of a conditional placing by the Company with investors of the Placing Shares at the Placing Price. CentralNic plans to use the net proceeds for developing the existing registrar business, investing in sales and marketing, launching new ccTLDs and working capital. The Board also proposes to invest in partnerships/joint ventures with gTLD applicants in return for an equity stake/revenue share.

PART I

INFORMATION ON THE COMPANY

CentralNic Group Plc

1. INTRODUCTION

CentralNic, a wholly owned subsidiary of the Company, is a registry service provider (“**RSP**”), which derives revenues from the sale of internet domain names. CentralNic uses its in-house developed IT platform to distribute its own portfolio of domain names to a global network of “registrars” (retailers such as Network Solutions, LLC), which sell these to end users. It also uses this platform to sell domain names owned by third parties, normally on a revenue share basis. Further, CentralNic provides consultancy services to companies seeking to create their own domains.

Following recent industry developments and regulatory changes, CentralNic expects, by virtue of its contracts and relationships, to benefit from a major expansion in the number of generic top level domains (“**gTLDs**”) such as **.wiki** and **.college**, which are expected to be operating from the end of 2013.

The Directors and Proposed Directors believe that the funds raised for the Group by the Placing will allow the Group to enhance its global distribution network, acquire interests in new gTLDs, expand its own retail business and obtain contracts from governments to operate their country code TLDs (“**ccTLDs**”), especially in developing markets.

The Company is seeking Admission and raising up to £5 million before expenses. Details of the proposed use of funds are outlined in paragraph 10 of Part I of this Document. In addition, it is proposed that on Admission, a Vendor Placing will take place, whereby Vendors will sell, in aggregate, 3,636,364 Existing Ordinary Shares at the Placing Price.

2. HISTORY AND BACKGROUND

CentralNic was established in 2004 as a specialist domain industry registry, using its own unique portfolio of 24 domain names including **uk.com** and **eu.com** to sell domains such as **avon.uk.com**. In addition, CentralNic has arrangements with the owners of 7 other domains (including **.LA** and **.PW**) to include these in its global distribution network and share the revenues received. In the period from its establishment, CentralNic built up a global distribution network of over 1,500 entities authorised to retail the CentralNic domain portfolio, representing over 50 per cent. of the global retail market (based on a sample of the top 119 retailers). CentralNic has recently signed a contract with the world’s largest registrar, GoDaddy, which will increase CentralNic’s coverage of the global retail market to 83 per cent.

CentralNic’s technology platform was developed in-house and is fully compliant with the standards set by the industry regulator.

During 2011 and 2012, CentralNic embarked on a number of growth strategies, including winning ccTLD clients and launching its own registrar. CentralNic secured contracts with clients applying for 60 new gTLDs to provide registry, distribution and, in some cases, marketing services. Of these 60 new gTLDs, all those that have completed ICANN’s initial evaluation, being 26, have passed.

3. THE DOMAIN NAME INDUSTRY

Overview

A domain name is a unique sequence of characters used to identify the address for a website on the internet or the sender of an electronic mail sent via the internet. Every website has a domain name associated with it. The Domain Name System (“**DNS**”) is the core infrastructure of the internet. It supports the system of hypertext links and allows software such as browsers, search engines and email clients, as well as web site developers, to build their programmes.

As at December 2012, there were approximately 252 million domain names registered worldwide, with renewal fees worth an estimated \$4bn annually. There are currently 22 gTLDs (such as **.com**, **.net** and **.org**),

270 ccTLDs (such as **.co.uk** and **.de**) and around 30 second level domain extensions (“**SLDs**”). The 24 domain names in CentralNic’s portfolio are SLDs, which represent a small, but profitable, part of the market.

In the 1980s and 1990s, the number of TLDs was small and they all shared the same basic format – two-character ccTLDs and a handful of three character gTLDs. In the past decade, new gTLDs that are longer than three characters (such as **.info**) have been introduced, as have domains written in various non-Latin scripts, known as internationalised domain names (“**IDNs**”).

ICANN, set up in 1998 and which operates as a not-for-profit organisation today, has a range of roles, including coordinating the domain industry and promoting competition. It also determines which Registry Operators obtain the rights to each TLD. ICANN is recognised by the domain name industry as the global central standards setting body and coordinates the use of domain names.

ICANN is introducing new gTLDs to promote competition and expand customer choice. This programme will also enable brands, corporations and governments to run their own domains. Between January and June 2012, ICANN accepted applications for a new round of gTLD names in what is the largest expansion in the history of the internet’s Domain Name System. CentralNic has contracted to act as RSP for applicants of 60 new gTLDs.

The key participants in the domain name industry are registry operators, registry service providers and registrars.

Registry Operators

These are the rights holders or “owners” of the TLD’s, entitled to use them. As shown below, there are different types of TLDs and owners range from companies to governments.

Generic TLDs – examples include **.net** and **.com**

There are currently 22 gTLDs governed by ICANN, including **.com**, **.org** and **.xxx**, which make up 60-70 per cent. of the market. The NASDAQ-listed VeriSign Inc. is the registry operator of the largest TLD, **.com**, of which there are 105 million domains making up approximately 41.5 per cent. of the market. The registry operator of **.org** is the private non-profit, Public Interest Registry, and the registry operator of **.xxx** is the private company, ICM Registry.

Country Code System – examples include **.il** and **.uk**

Each country has been granted its own TLD, which is governed by the Internet Assigned Names Authority (“**IANA**”). Depending on the country, ccTLDs registry operators can be not-for-profit private entities, government internal departments or private companies. Many governments seek the assistance of registry service providers. There are a number of examples of successful repurposing of ccTLDs such as **.CO** (for Colombia) being offered globally as an abbreviation for “company” and **.LA** (for Laos) being offered in Los Angeles as a city domain.

Second-Level Domains – examples include **.uk.com** and **.eu.com**

This is a small, niche market which offers an alternative to the country code system. This space is where CentralNic has traditionally operated as a registry operator, with its portfolio of second-level domain extensions, including 18 codes ending in **.com**. One of the advantages to the users of SLD domains is that due to the **.com** ending, it will appear on search engines outside of the country referred to by the country code.

Registry Service Providers – “The Distributors”

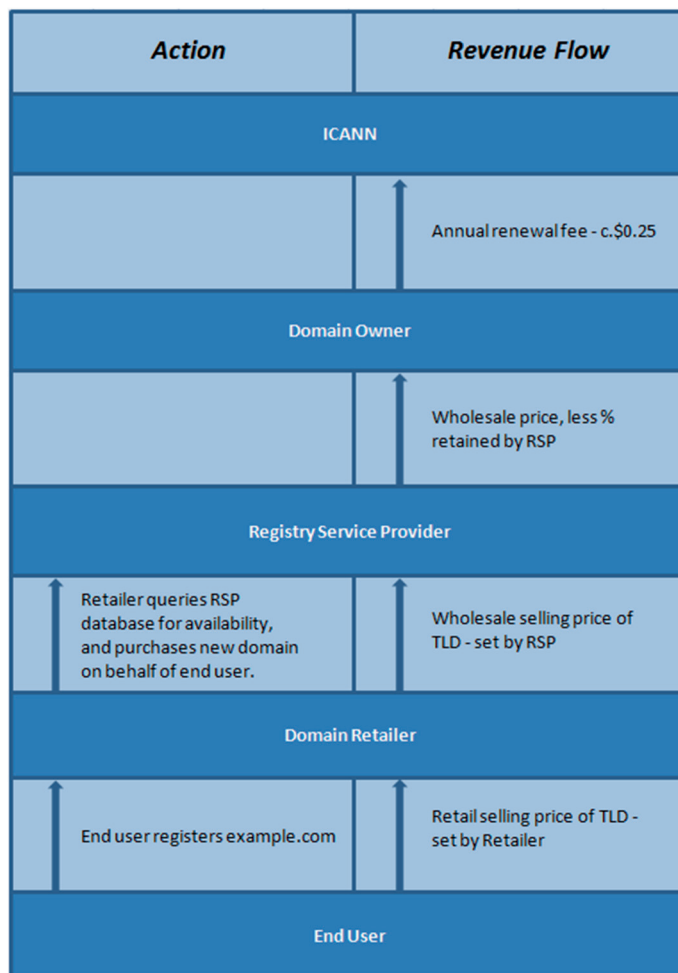
These are companies comparable in certain respects to CentralNic, which wholesale domains on behalf of domain owners to registrars. They also provide the backend DNS system itself. CentralNic currently provides this service for 7 third party domains as well as being selected as the registry service provider on 60 new gTLD applications.

Registrars – “the retailers”

These are companies such as GoDaddy Group Inc., Network Solutions Inc. and 123 Reg, all of which sell domains to the public through websites.

CentralNic is integrated with and has full cash collection arrangements from a global network of 1,500 registrars and through them over 100,000 resellers including industry leading names such as Network Solutions, eNom and Webfusion. This historically represented over (based on a sample of the top 119 retailers) 50 per cent. of the retail market for domain names globally but has recently increased to 83 per cent. coverage with the conclusion of the contract between GoDaddy and CentralNic.

“Integration” means that CentralNic and the registrars have combined their systems to create a fully automated purchase path for customers to register CentralNic distributed domains on the registrars’ websites. The flowchart below details the typical flow of revenue between the various parties involved in the sale of a single domain name.



New Top Level Domains

In early 2012, after seven years of policy making, ICANN opened the application process for a new round of gTLDs, primarily to introduce more competition to the marketplace and expand customer choice, as well as enabling brands, corporations and governments to run their own domains.

These gTLDs can take many forms and will enable industry or brand specific TLDs to be registered and domains using these gTLDs to be sold (should that be the wish of the successful applicant). Examples of gTLDs that have been applied for include **.law** and **.wiki** (which are known as industry specific gTLDs), and **.theguardian** (which are known as brand specific gTLDs).

The application process for new gTLDs is both capital and time intensive, with a \$185,000 application fee (payable to ICANN) contributing to an estimated \$250,000-\$500,000 total cost of an application. Despite the cost, there is no guarantee an application will be uncontested or successful. Once an application is successful, a further investment ranging from hundreds of thousands to millions of dollars is required to launch and manage the domains. To succeed in their new gTLD applications, applicants must demonstrate that they have access to sufficient funds.

In some cases, an application has been made for a gTLD by more than one party. If ICANN deems all applicants suitable to own the gTLD, an auction process may take place, or in some cases it is possible that competing parties will come to a private arrangement between themselves. Some private auctions have already taken place.

4. INFORMATION ON CENTRALNIC

CentralNic is a registry service provider which supports and provides services to TLDs and SLDs. CentralNic acts for the owners of TLDs and SLDs (also known as registry operators) providing the DNS infrastructure and distribution of their domains through retailers (also known as registrars) who in turn sell the domains to individuals and corporate customers.

In addition to the services provided to the registry operators, CentralNic also owns a portfolio of 24 domain names including **.uk.com** and **.eu.com**, which enables it to market subdomains such as **avon.uk.com** to customers through its distribution network. Additionally, CentralNic has contracts to provide registry and distribution services for seven other domains including two country codes, **.LA** and **.PW**.

This existing business has already proven to be profitable and cash-generative, as its characteristics include:

- revenues are received in advance, often for multiple years;
- most of the top 50 registrars (by domains under management) maintain a credit balance with CentralNic, which is automatically topped up;
- the actual domain name inventory is created automatically at the time of purchase, so there are no cost of sales or inventory holding costs; and
- to retain their domain names, website owners are required to pay periodic renewal fees, creating an annuity income for CentralNic.

Historically, CentralNic has confined its activities to the modest SLD market, which makes up less than 1 per cent. of the total domain market. Now with the contracts for 60 gTLD applications, plus a business plan based on obtaining additional TLD and SLD contracts and expansion both up and down the supply chain, CentralNic is poised to benefit in multiple ways from new developments in the internet.

The CentralNic Revenue Model

CentralNic derives its revenues from contractual entitlements remitted to it by registrars out of amounts paid to the registrar for the sale of the domain name to end customers, as well as from contractual fee arrangements with the relevant registry. CentralNic currently has five sources of revenue:

- (i) **SLD ownership** – CentralNic currently owns 24 SLD domain extensions including **.eu.com**, **.br.com** and **.uk.com**. CentralNic also acts as registry service provider for these SLDs and therefore takes 100 per cent. of the wholesale revenue from sales of domains like **bdo.uk.com**.
- (ii) **Registry Service Provider** – These are revenues earned by CentralNic for managing the DNS and distribution for SLDs and TLDs owned by third parties. In these instances, CentralNic has a contract in place with a registry operator whereby it is entitled to a share of wholesale revenues from its domains. An example of where CentralNic is an RSP but does not own the domain is for the **.la** domain, which is the ccTLD for Laos. CentralNic sells this domain globally, including notably, into the Los Angeles market.
- (iii) **Domain registrar services** – CentralNic, through its subsidiary TLD Registrar Solutions Limited (which has received accreditation from ICANN), has launched its first presence as a retailer. This enables CentralNic to operate its own websites selling domains to the general public at a retail price set by them, as well as other value-added services such as hosting and website building.
- (iv) **Consultancy** – CentralNic has used its technical, regulatory and industry expertise to provide consultancy services to third parties wishing to apply for new gTLDs. These services range from providing advice to preparing an ICANN gTLD application on behalf of a client.
- (v) **Sundry** – CentralNic's multiple sources of sundry revenues include sale and licensing of domain names and software, sales and marketing services, as well as fees and dividends from joint ventures.

CentralNic Infrastructure and IT

CentralNic has developed and now operates a proprietary registry engine. Over the course of recent years, CentralNic has upgraded its technology to ensure that it is compliant with the more stringent technical standards required by ICANN in order to act as a registry for new gTLDs. The CentralNic solution is fully ICANN compliant and was developed in house with the specific aim of meeting ICANN requirements.

CentralNic's recent uptime reports demonstrate that it has achieved a 100 per cent. track record of DNS availability for domains delegated to it. Key features of CentralNic's system include:

- IPv6 support (both registry and DNS);
- full internationalised domain name (IDN) support since 2000; and
- DNS servers in over 40 different countries to provide confidence of ongoing 100 per cent. uptime, regardless of man made or natural disasters.

In addition to this, CentralNic is both ISO 27001 (information security management) and ISO 9001 (quality management system) accredited. These accreditations are internationally recognised and provide CentralNic's partners with additional levels of assurance as to the technical integrity of the company's IT systems.

5. STRATEGY

The Company has a four pronged expansion strategy.

(i) Increasing volumes through provision of core registry services

Capitalising on the reliability, resilience and scalability of its IT platform, CentralNic intends to increase revenues by handling more domain name inventory, including the new gTLDs where CentralNic has already signed a number of contracts. The Directors and Proposed Directors expect these new gTLDs to start operating from the end of 2013. In addition, CentralNic intends to continue to increase its distribution through retailers from over 83 per cent. of market share with additional register integrations.

CentralNic has already generated revenues from consultancy services provided to clients wishing to register new gTLDs. CentralNic has also invested in its infrastructure, laying the foundations for the next stage of its strategy.

CentralNic was contracted by clients applying for 60 new gTLDs and those that have completed the ICANN initial evaluation process have all passed. ICANN has published the full list of applications that have been made for new gTLDs, which shows that 25 of the applications made by CentralNic's clients are currently uncontested. These include:

- **.wiki**, the TLD for one of the world's best known website types;
- **.xyz**, a truly generic TLD suitable for any website;
- **.rest**, the global TLD for restaurants;
- **.feedback**, the TLD for feedback forms and applications;
- **.PID**, short for 'Personal ID', this TLD is for individual websites;
- **.fans**, the TLD for fan sites;
- **.contact**, the TLD for contact forms and applications;
- **.ink**, the TLD for tattoos;
- **.reit**, for real estate investment trusts;
- **.bar**, the TLD for bars; and
- **.college**, fills a gap in the market as .edu is restricted to one domain per college and solely in the USA.

The introduction of new gTLDs provides a significant opportunity for CentralNic to grow its revenues. The Directors and Proposed Directors consider that there is currently the opportunity for CentralNic to

add significant numbers of domains to its registry portfolio. The Directors and Proposed Directors believe that this market dynamic will remain into the future and that the barriers to entry will be heightened by ICANN's newly increased technical and infrastructure requirements.

CentralNic also has corporate clients who have each applied for one to five domains for their own use, including Guardian news and Media Limited, a leading Hollywood talent agency, William Morris Endeavor Entertainment LLL and global 1000 companies including Etisalat Telecommunications Group, Saudi Telecom Company, Kuwait Finance House and Qatar Telecom.

Each domain acquired by a CentralNic client expands CentralNic's registry portfolio. CentralNic's system has the capacity to administer an additional 5 million registered domains without further enhancement.

CentralNic's clients have also applied for the domains which are currently being contested by rival applicants, including:

.love	.vip	.pizza	.golf	.cafe
.africa	.blog	.hotel	.gay	.realty
.design	.LLC	.school	.news	.place
.reality	.home	.forum	.style	.art
.mail	.sucks	.now	.chat	.app
.group	.auto	.law		

As each contention set is resolved by negotiation or auction, one contender for each TLD will be granted the rights for that TLD, while the others will withdraw or be excluded. The directors of CentralNic estimate that their clients will succeed in obtaining six of the thirty domains under contention. CentralNic client applications that have been withdrawn to date are as follows: **'.club'**, **'.photography'**, **'.gdn'**, **'.guardian'** and **'.guardianmedia'**. These withdrawals are in line with CentralNic management expectations and projections.

(ii) Investment in new gTLDs

A number of gTLD applicants will require additional funding either to win their TLDs at auction or for working capital to launch their domains. This "second round" of funding is an ideal opportunity for CentralNic, having assessed the best TLDs and management teams, to finance selected applicants conditionally on them passing ICANN's evaluation and winning the TLD auctions. This avoids one of the risks associated with "first round" funders that they may lose their investment by funding an unsuccessful application.

CentralNic may finance these applicants either by direct investment or by convertible loan secured against the TLD itself. CentralNic also intends to make it a condition of funding, in suitable cases, that the applicant moves its registry service provision contract to CentralNic.

(iii) Investment in Registrar business

The Directors and Proposed Directors believe that there is potential for CentralNic to accelerate and further develop its own domain registrar business, which would allow CentralNic to benefit from the retail margin on the price charged for domain sales as opposed to receiving a share of wholesale revenue only.

(iv) Developing Markets

CentralNic has also identified opportunities to add to its domain portfolio by winning government contracts to operate country codes for developing nations, particularly in Africa. These ccTLDs can be distributed globally via CentralNic's retail network, as well as serving the populations of the domestic emerging markets where internet penetration is just starting to explode. CentralNic will offer its expertise and platform and will need to invest time and money developing relationships with local marketing partners in these developing countries.

6. COMPETITION

CentralNic has been awarded exclusive contracts with its clients for 25 uncontested domains and 35 contested domains (i.e. domains applied for by two or more parties). The party awarded each contested domain will be determined by either the result of a private arrangement between the applicants or the winner of an ICANN led auction.

Many of the new top level domains entering the market are for brands such as **.google** and **.apple**, so they do not compete with CentralNic's clients. For the generic domains intended to be alternatives to **.com**, other domains are rarely in direct competition with CentralNic's clients. For example, **.wiki** is the only TLD targeted specifically at users of this popular online collaborative tool.

There are three other existing global Registry Service Providers with similar integrated registrar networks to CentralNic's, as well as a number of start-ups and regional service providers seeking to build global networks. CentralNic's clients selected it as a supplier in the knowledge of the competitive marketplace. Moreover, the barriers to clients migrating away from CentralNic's registry services are significant.

7. DOMAIN PORTFOLIO

The existing domain portfolio held by the CentralNic is set out below:

.us.com	United States	.ru.com	Russia
.eu.com	European Union	.sa.com	Saudi Arabia
.uk.com	United Kingdom	.se.com	Sweden
.uk.net	United Kingdom	.se.net	Sweden
.cn.com	China	.hu.com	Hungary
.de.com	Germany	.hu.net	Hungary
.jpn.com	Japan	.gb.com	Great Britain
.kr.com	Korea	.gb.net	Great Britain
.no.com	Norway	.qc.com	Quebec
.za.com	South Africa	.uy.com	Uruguay
.br.com	Brazil	.ae.org	United Arab Emirates
.ar.com	Argentina		

In addition to the above portfolio, CentralNic owns an additional 100 domains, which includes premium names such as **www.fares.com** and **www.deleted.com**.

8. FINANCIAL INFORMATION

Part III of this Document contains historical financial information on the Group.

The following financial information has been derived from the financial information contained in Part III of this Document and should be read in conjunction with the full text of this Document. Investors should not rely solely on the summarised information.

	<i>Year ended 31 December 2010 £'000</i>	<i>Year ended 31 December 2011 £'000</i>	<i>Year ended 31 December 2012 £'000</i>
Revenue	1,857	2,531	2,933
Cost of sales	(824)	(988)	(1,194)
Gross profit	1,033	1,543	1,739
Administrative expenses	(785)	(1,058)	(904)
Profit before taxation	248	485	835
Income tax expense	(64)	(83)	(242)
Profit after taxation	184	402	593

9. CURRENT TRADING AND FUTURE PROSPECTS

Operational highlights in the first half of the year include the launch of the .PW domain, which has generated sales of over 280,000 in the 5 months to 31 July 2013, and the signed agreement with GoDaddy, the world's largest domain registrar, under which GoDaddy will commence selling domains distributed by CentralNic. Additionally, the latest information released by ICANN supports the Directors' and Proposed Directors' belief that the first registrations of new gTLD domain names will take place in Q4 2013.

Due to the underlying positive trading momentum in the business so far this year the Company is trading ahead of the Board's expectations and the Board believes that the Company will continue to trade ahead of its own internal budget for the year ending 31 December 2013 as a whole.

10. USE OF FUNDS

CentralNic plans to use the net proceeds of £4.4 million for developing the existing registrar business, investing in sales and marketing, launching new ccTLDs and working capital. The Board also proposes to invest in partnerships/joint ventures with gTLD applicants in return for an equity stake/revenue share.

11. DIRECTORS AND PROPOSED DIRECTORS

The Board currently comprises John Swingewood as Chairman, Ben Crawford as Chief Executive Officer, Don Baladasan as Chief Financial Officer, Robert Pooke as an Executive Director and Samuel Dayani as Non Executive Director. Thomas Rickert and Thomas Pridmore will be appointed as Non Executive Directors upon Admission. Details of the Board at Admission are set out below:

John Swingewood (aged 57) – *Chairman*

John is a serial entrepreneur, active in both public and private companies. He is Chairman of the AIM-listed Eco City Vehicles Plc, the provider of London Mercedes taxis and a founder and director of Brilliant Law Group Ltd. Previously he was director of AIM listed Mobile Tornado Plc and was a founder of Digital Interactive Television Group, acquired by AIM listed Yoomedia Plc for £28 million. He was formerly Director of New Media at BskyB and Director of Internet and Multimedia and General Manager, Broadcast TV Services at British Telecom, a £500 million division employing over 1,000 people worldwide. John obtained a First Class Honours Degree in Electronics at Surrey University.

Benjamin Crawford (“Ben”) (aged 48) – *Chief Executive Officer*

Ben Crawford is one of the best-known figures in the domain industry, featuring extensively on ICANN's "Ask the Experts" website and is frequently quoted in the global media.

Ben has been the Chief Executive Officer of CentralNic since 2009, successfully launching the company into new markets including the Middle East, Japan and Russia, as well as winning 60 new TLD and the **.PW** ccTLD contracts. Ben is a specialist in global business and corporate development – his former positions included Founding President of Louise Blouin Media, integrating 11 acquisitions in three countries and launching artinfo.com; Managing Director of SportBusiness Group, where he launched the world's leading online gambling trade media group, iGamingBusiness.com; and Executive Producer of the official website of the Sydney Olympic Games.

Ben has an MBA from the Australian Graduate School of Management and a First Class Honours Degree from the University of Sydney.

Donald Baladasan (“Don”) (aged 39) – *Chief Financial Officer*

Don Baladasan, a Chartered Management Accountant having trained at the Financial Times. Don has extensive experience of managing and optimising finance functions both nationally and internationally. He is founder of Maxis Ltd a consultancy that provides outsourced FD services to SMEs and start-ups. Prior to founding Maxis he was Head of Accounting Development at Stemcor, the world's largest independent steel trader. Previously he was a regional Financial Controller BUPA Hospitals and Financial Controller of FTMarketwatch.com. Don is acting as part time Chief Financial Officer for the Company. He also holds part time positions on the boards of AIM listed Totally PLC and Advanced Oncotherapy PLC.

The Company has recently appointed a new financial controller to support Don in his capacity as Chief Financial Officer.

Robert Pooke (aged 52) – *Executive Director*

Robert Pooke is one of the founders of CentralNic and has been involved in the domain name industry since 1998. Prior to that, he founded (and later sold) two online companies, one of which was a multi-player games business. In the earliest part of his career, for 13 years, Robert opened and ran a small chain of 3 discount retail stores, which he eventually sold.

Samuel Dayani (aged 36) – *Non Executive Director*

Samuel Dayani is a partner at the Joseph Samuel Group and responsible for managing the group investments and business development. He is also a Director of Opes Industries Ltd, a waste to energy, landfill and recycling business. From 2001-2005, Samuel was the Chief Operating Officer and then Managing Director of ViaVision Ltd, an interactive TV company, before it was sold to Yoomedia plc.

Samuel graduated from Queen Mary College, University of London with a BSc in Business and Biology in 2000.

Thomas Rickert (aged 43) – *Non Executive Director*

Thomas Rickert is an attorney-at-law in Germany. He is managing partner of Schollmeyer & Rickert Rechtsanwalts-gesellschaft mbH, a law firm with offices in Bonn and Frankfurt am Main. Thomas has extensive experience in the domain industry working on domain disputes as well as advising Registrars, Registry Service Providers and new gTLD applicants both on contractual as well as policy matters. Thomas is an expert speaker on domain related subjects both at the national and international level. Thomas has been appointed by ICANN's Nominating Committee to serve on the Council of the Generic Names Supporting Organisation (GNSO), which is the body responsible for developing policy for generic domain names.

Thomas Pridmore (“Tom”) (aged 41) – *Non Executive Director*

Tom Pridmore began his career as a solicitor at Norton Rose, specialising in corporate finance, where he acted on behalf of institutional clients in relation to a variety of corporate finance and M&A activities. Tom then joined Flextech/Telewest Plc as Head of Corporate Strategy, where he was responsible for directing investment into strategic Internet and interactive television companies. In 2000, Tom co-founded the international fund manager and investment adviser Development Capital Management Limited. In this capacity he has set-up and managed real estate investment and development operations in Turkey, India, North Africa, Eastern Europe and the UK on behalf of both institutional and private clients.

Senior Management

Gavin Brown, the Company's Chief Technology Officer is a key member of senior management. A summary of his biography is set out below:

Gavin Brown (*Chief Technology Officer*)

Gavin has worked at CentralNic since 2001, becoming chief technology officer in 2005. He has responsibility for all aspects of CentralNic's Registry Engine and all technical elements of the integrated global reseller network. He is a highly respected figure in the domain industry and has been published in several professional technical journals and as well as participating in a number of technical public policy and advocacy groups.

12. PLACING AND VENDOR PLACING

The Company is proposing to raise £5 million (before expenses) by way of a conditional placing by the Company with investors of the Placing Shares at the Placing Price. The Placing Shares will represent approximately 15.38 per cent. of the Enlarged Share Capital at Admission. The Placing Shares will comprise 9,090,909 new Ordinary Shares. Pursuant to the Placing Agreement, entered into between the Company, the Directors, the Proposed Directors and Zeus Capital, Zeus Capital has agreed to use its reasonable endeavours to procure subscribers for the Placing Shares. The Company, the Directors and the Proposed Directors have given certain warranties and the Company has given an indemnity to Zeus Capital, all of which are normal for this type of agreement.

The Placing, which is not underwritten, is conditional, *inter alia*, on:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission occurring no later than 2 September 2013 (or such later date as Zeus Capital and the Company may agree, being no later than 6 September 2013).

The estimated net proceeds of the Placing are approximately £4.4 million and will be used for developing the existing registrar business, investing in sales and marketing, launching new cc TLDs and working capital. Further details of the Placing Agreement are set out in paragraph 9.2 of Part IV of this Document.

Under the Vendor Placing Agreements entered into between each of the Vendors and Zeus Capital, the Vendors have agreed to sell, in aggregate, 3,636,364 Vendor Placing Shares at the Placing Price. These shall be placed with investors by Zeus Capital who have agreed to use reasonable efforts to procure purchasers for the Vendor Placing Shares.

13. TAX RELIEFS AVAILABLE TO INVESTORS

The Company has received advanced notification from HM Revenue & Customs that the Placing Shares should qualify for EIS and VCT relief. The availability of tax relief will depend, *inter alia*, upon the investor and the Company continuing to satisfy various qualifying conditions. The Company cannot guarantee to conduct its activities in such a way as to maintain its status as a qualifying EIS or VCT investment but the Directors intend, as far as possible, to do so. Investors considering taking advantage of EIS relief or making a qualifying VCT investment are recommended to seek their own professional advice in order that they may fully understand how the relief legislation may apply in their individual circumstances. Any Shareholder who is in any doubt as to his taxation position under the EIS and VCT legislation, or who is subject to tax in a jurisdiction other than the UK, should consult an appropriate professional adviser.

Information regarding taxation is set out in paragraph 13 of Part VI of this Document. These details are intended only as a general guide to the current tax position in the UK. **If an investor is in any doubt as to his or her tax position or is subject to tax in a jurisdiction other than the UK, he or she should consult his or her own independent financial adviser immediately.**

14. ADMISSION, SETTLEMENT AND DEALINGS

An application has been made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the Ordinary Shares on AIM will commence at 8.00 a.m. on 2 September 2013.

The Ordinary Shares will be in registered form and will be capable of being held in either certificated or uncertificated form (i.e. in CREST).

CREST is a paperless settlement enabling securities to be evidenced otherwise than by certificate and transferred otherwise than by written instrument in accordance with the CREST Regulations. CREST is a voluntary system and shareholders who wish to receive and retain share certificates are able to do so.

15. ORDERLY MARKETING AGREEMENTS AND RELATIONSHIP AGREEMENT

At Admission, the Directors will in aggregate be interested in, directly and indirectly, 19,936,363 Ordinary Shares representing approximately 33.74 per cent. of the Enlarged Share Capital and Erin will be interested in 31,017,273 Ordinary Shares representing approximately 52.49 per cent. of the Enlarged Share Capital. In order to assist in maintaining an orderly market in the Company's Ordinary Shares after Admission, each of the Directors and Erin have undertaken to Zeus Capital not to dispose of any Ordinary Shares or any interest in Ordinary Shares Admission within 12 months of Admission without the prior written consent of Zeus Capital (whose consent may be refused or provided subject to such conditions as Zeus Capital, acting reasonably, determines in its absolute discretion).

The Company, Erin and Zeus Capital have entered in an agreement (the "**Relationship Agreement**") under which Erin had undertaken, among other things, that it will not exercise its voting rights or other powers of control to influence the Company in a way that is in the interests of Erin. The Relationship Agreement will

remain in place whilst Erin is interested in Ordinary Shares representing 30 per cent. or more of the issued share capital of the Company.

16. CORPORATE GOVERNANCE

The Directors and Proposed Directors acknowledge the importance of the principles set out in the Corporate Governance Code. Although the Corporate Governance Code is not compulsory for AIM quoted companies, the Directors and Proposed Directors intend to apply the principles as far as practicable and appropriate for a relatively small public company.

The Board comprises a Chairman, three executive directors and three non-executive directors. The Board intends to meet regularly to consider strategy, performance and the framework of internal controls. To enable the Board to discharge its duties, all Directors will receive appropriate and timely information. Briefing papers will be distributed to all Directors in advance of Board meetings. All Directors will have access to the advice and services of the Company Secretary, who will be responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. In addition, procedures will be in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.

Board Committees

The Company will, upon Admission, have Audit, Nomination and Remuneration Committees.

The Audit Committee will have John Swingewood as Chairman, and will have primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases having due regard to the interests of Shareholders. The Audit Committee will meet at least twice a year. Samuel Dayani, Thomas Rickert, Thomas Pridmore and Don Baladasan will be the other members of the Audit Committee.

The Nomination Committee will have John Swingewood as Chairman, and will identify and nominate for the approval of the Board, candidates to fill board vacancies as and when they arise. The Nomination Committee will meet at least once a year. Samuel Dayani, Thomas Rickert and Thomas Pridmore will be the other members of the Nomination Committee.

The Remuneration Committee will have John Swingewood as Chairman, and will review the performance of the executive directors and determine their terms and conditions of service, including their remuneration and the grant of options, having due regard to the interests of Shareholders. The Remuneration Committee will meet at least once a year. Samuel Dayani, Thomas Rickert and Thomas Pridmore will be the other members of the Remuneration Committee.

The Directors and Proposed Directors understand the importance of complying with the AIM Rules relating to Directors' dealings and has established a share dealing code that is appropriate for an AIM quoted company.

17. MANAGEMENT INCENTIVES

The Directors and Proposed Directors believe that it is important to properly motivate and reward key senior employees and executives and to do so in a manner that aligns their interests with that of the Shareholders. The Directors and Proposed Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the profitability of the Company.

Accordingly, the Company intends to establish, on or shortly following Admission, an unapproved share option scheme under which certain key executives and employees will be invited to participate at the discretion of the Board. The Company also intends to grant, on or shortly following Admission, unapproved options to certain non-executive directors and consultants under separate unapproved option agreements (the terms of which will broadly mirror that of the unapproved share option scheme) and to also grant options under the Enterprise Management Incentive Scheme (EMI) under separate EMI option agreements to certain qualifying key executives and employees.

These share incentive arrangements are designed to support the strategy of generating significant sustainable value for Shareholders by linking the rewards to executives with the value created for Shareholders and thereby aligning the interests of key executives with those of Shareholders.

Shares acquired or options granted under any share incentive arrangements operated by the Company will be limited in total to 10 per cent. of the Company's issued share capital from time to time.

Further details on the Company's share incentive arrangements are set out in paragraph 6 of Part VI of this Document.

18. DIVIDEND POLICY

It remains the Directors' intention to consider the payment of a dividend when appropriate and when commercially prudent. The Directors anticipate paying a dividend for the first full year.

19. RISK FACTORS

Your attention is drawn to the risk factors set out in Part II of this Document and to the section entitled "Forward Looking Statements" therein. In addition to all other information set out in this Document, potential investors should carefully consider the risks described in those sections before making a decision to invest in the Company.

20. ADDITIONAL INFORMATION

You should read the whole of this Document and not just rely on the information contained in this letter. Your attention is drawn to the information set out in Parts II to VI (inclusive) of this Document which contains further information on the Company.

PART II

RISK FACTORS

Before making any investment decision, prospective investors should carefully consider all the information contained in this Document including, in particular, the risk factors described below. Ordinary Shares may not be a suitable investment for all recipients of this Document. If you are in any doubt about the Ordinary Shares and their suitability for you as an investment, you should consult a person authorised under FSMA who specialises in advising on the acquisition of shares and other securities.

In addition to the usual risks associated with an investment in a company, the Directors consider that the factors and risks described below are the most significant in relation to an investment in the Group and should be carefully considered, together with all the information contained in this Document, prior to making any investment decision in respect of the Ordinary Shares. The list below is not exhaustive, nor is it an explanation of all the risk factors involved in investing in the Group and nor are the risks set out in any order of priority.

It should be noted that the risks described below are not the only risks faced by the Group and there may be additional risks that the Directors currently consider not to be material or of which they are currently not aware.

If any of the events described in the following risks actually occur, the Group's business, financial condition, results or future operations could be materially affected. In such circumstances, the price of the Ordinary Shares could decline and investors could lose all or part of their investment. The information set out below is not set out in any order of priority. The Group's performance may be affected by changes in legal, regulatory and tax requirements in any of the jurisdictions in which it operates or intends to operate as well as overall global financial conditions.

Risks Specific to the Group

The following sets out some of the risks relating to the Group's business. If any of the following risks are borne out in reality, the Group's business, financial condition or results of operations could be seriously affected.

Regulatory

All the Group's clients' ICANN applications for new gTLDs that have completed initial evaluation have passed ICANN's technical evaluation of the Group's registry services, and the Group holds ISO9001 and ISO27001 certifications in relation to IT security and quality management.

The businesses of both registries and registrars are subject to the legal environment and consensus policies, which may themselves be subject to change, which may affect business outcomes. Both the ICANN gTLD registry and registrar agreements have not yet been published in their final forms, which when published may impact on the business outcomes of the Group. Both ICANN and the Group's clients could be subject to legal challenges which could impact on the launch schedule of new TLDs, with an impact to the Group's business.

Market

The market for domains owned by the Group or for which the Group provides registry services may not be as large as expected or the new TLDs may not generate the revenue levels anticipated by the Board. In either case and the Group's revenues and hence profitability may suffer as a result.

IT Security

If the Group does not prevent security breaches, it may be exposed to lawsuits, lose customers, suffer harm to its reputation, and incur additional costs. Unauthorised access, computer viruses, accidents, employee error or malfeasance, intentional misconduct by computer "hackers", and other disruptions can occur that could compromise the security of the Group's infrastructure, possibly exposing confidential information to

unauthorised access by third parties and leading to interruptions, delays or cessation of service to the Group's customers. Techniques used to obtain unauthorised access to, or to sabotage, systems change frequently and generally are not recognised until launched against a target, so the Group may be unable to implement security measures in time.

IT Systems and Contracts

The Group has a complex network infrastructure comprising of a primary registry system and associated databases supported by failover secondary systems to ensure that critical registry functions are available to end users, registrars and other stakeholders that must have access to those functions in the event any circumstance arises that materially impacts the operation of the primary registry system. A number of the servers used by the Group are either rented, leased or provided virtually by one of three key suppliers. While the Group has contracts in place with all three key suppliers these provide little contractual certainty. The Group intends to continue to seek to maintain close relationships with these suppliers which the Directors believe should reduce the risk of supplier loss however, any loss of one or more of the key suppliers could harm the Group's reputation and financial position.

Reliance on Third Party Hardware

The Group relies on third-party hardware that may be difficult to replace or could cause errors or failures of its service, which could adversely affect the Group's operating results or harm its reputation. The Group relies on hardware acquired from third parties in order to offer its services. This hardware may not continue to be available on commercially reasonable terms in quantities sufficient to meet the Group's business needs, which could adversely affect its ability to generate revenue. Any errors or defects in third party hardware could result in errors or a failure of the Group's service, which could harm its reputation and operating results. Indemnification from hardware providers, if any, would likely be insufficient to cover any damage to the Group's business or its customers resulting from such hardware failure.

Future Strategy

The Group may fail to execute its four pronged expansion strategy and therefore not be able to generate its expected revenues. This could happen as a result of a number of factors both inside and outside the Group's control including: the Group's current clients failing to secure ownership of gTLDs investments in new gTLDs being unsuccessful, the Group's current clients entering financial difficulties and demand for domain names not increasing as projected in the Group's targeted developing countries.

Currency risk

The Group reports its revenues and costs in British Pounds Sterling, whilst some of these revenues and costs may arise in currencies other than this. Fluctuations in exchange rates may adversely affect the Group's reported profits, make its overseas contracts relatively less valuable.

Dependence on key personnel

The Group has a small management team and the loss of any key individual or the inability to attract appropriate personnel could impact upon the Group's future performance.

Additional Working Capital

The Group may need additional working capital as it implements its strategy. Such funds may not be available on acceptable terms or at all, and, without additional funds, the Group may not be able to effectively execute its growth strategy, take advantage of future opportunities, respond to competitive pressures or unanticipated requirements.

General Risk Factors

Economic, political, judicial, administrative, taxation or other regulatory matters

In addition to the impact of the downturn of the world's economies, the Group may be adversely affected by other changes in economic, political, judicial, administrative, taxation or other regulatory or other unforeseen matters.

Forward looking Statements

All statements other than statements of historical fact included in this Document, including, without limitation, those regarding the Group's financial position, business strategy, plans and objectives of management for future operations or statements relating to expectations in relation to Shareholder returns, dividends or any statements preceded by, followed by or that include the words "targets", "estimates", "envisages", "believes", "expects", "aims", "intends", "plans", "will", "may", "anticipates", "would", "could" or similar expressions or the negative thereof, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors beyond the Group's control that could cause the actual results and performance to be materially different from future results and performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future.

These forward looking statements speak only as of the date of this Document. The Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained herein to reflect any change in the Group's expectations with regard thereto, any new information or any change in events, conditions or circumstances on which any such statements are based, unless required to do so by law or any appropriate regulatory authority.

Areas of Investment Risk

The prices of publicly quoted securities can be volatile. The price of securities is dependent upon a number of factors, some of which are general or market or sector specific and others that are specific to the Group.

The Ordinary Shares will not be listed on the Official List of the UK Listing Authority and although the Ordinary Shares will be traded on AIM, this should not be taken as implying that there will always be a liquid market in the Ordinary Shares. In addition, the market for shares in smaller public companies is less liquid than for larger public companies. Therefore an investment in the Ordinary Shares may be difficult to realise and the price of the Ordinary Shares may be subject to greater fluctuations than might otherwise be the case.

An investment in shares quoted on AIM may carry a higher risk than an investment in shares quoted on the Official List of the UK Listing Authority. AIM has been in existence since June 1995 but its future success and liquidity in the market for the Ordinary Shares cannot be guaranteed. Investors should be aware that the value of the Ordinary Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment.

The price at which investors may dispose of their Ordinary Shares may be influenced by a number of factors, some of which may pertain to the Group and others which are extraneous. On any disposal of their Ordinary Shares, investors may realise less than the original amount invested.

Taxation

The attention of potential investors is drawn to paragraph 13 of Part VI of this Document headed "Taxation". The tax rules and their interpretation relating to an investment in the Group may change during its life.

Any change in the Group's tax status or in taxation legislation or its interpretation could affect the value of the investments held in the Group or the Group's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this Document concerning the taxation of the Group and its investors are based upon current tax law and practice which is, in principle, subject to change.

Current and potential investors are strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in investments of this nature before making any investment decision in respect of Ordinary Shares.

Prospective investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of this nature before making any investment decision in respect of the Ordinary Shares.

PART III

ACCOUNTANTS' REPORT ON THE FINANCIAL INFORMATION OF THE CENTRALNIC GROUP

13 August 2013



The Directors
CentralNic Group Plc
35-39 Moorgate
London
EC2R 6AR

The Directors
Zeus Capital Ltd
3 Ralli Courts
West Riverside
Manchester
M3 5FT

Dear Sirs

Introduction

We report on the combined and consolidated financial information of CentralNic Limited ("CentralNic"), its 100 per cent. subsidiaries CentralNic USA Ltd, GB.com Limited and Whols Privacy Limited and a further entity, TLD Registrar Solutions Limited, 100 per cent. of the share capital of which was held under common control in the period (together the "CentralNic Group"). This financial information has been prepared for inclusion in Part III "*Accountants' Report on the Financial Information of the CentralNic Group*" of the AIM Admission Document dated 13 August 2013 (the "Document") of CentralNic Group Plc (the "Company"), on the basis of the accounting policies set out in note 3 to the financial information. This report is required by Paragraph (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The directors of the Company (the "Directors") are responsible for preparing the financial information on the basis of preparation set out in note 2(a) to the financial information and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates

and judgments made by those responsible for the preparation of the underlying financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the CentralNic Group as at the date stated and of the results, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in note 2(a) to the financial information and has been prepared in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully

Crowe Clark Whitehill LLP

Chartered Accountants

COMBINED AND CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The combined and consolidated statements of comprehensive income of the CentralNic Group for each of the three years ended 31 December 2010, 2011 and 2012 are set out below:

	Note	2010 £'000	2011 £'000	2012 £'000
Revenue	6	1,857	2,531	2,933
Cost of sales		(824)	(988)	(1,194)
Gross profit		1,033	1,543	1,739
Administrative expenses		(785)	(1,058)	(904)
Profit before taxation		248	485	835
Income tax expense	8	(64)	(83)	(242)
Profit after taxation		184	402	593
Other comprehensive income				
Other comprehensive (expense)/income		–	–	–
Total comprehensive income for the financial year		184	402	593
Pro forma earnings per share				
Basic and diluted, Pence	9	0.37	0.80	1.19

COMBINED AND CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The combined and consolidated statements of financial position of the CentralNic Group at 31 December 2010, 2011 and 2012 are set out below:

	<i>Note</i>	<i>2010</i> £'000	<i>2011</i> £'000	<i>2012</i> £'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	10	33	25	21
Intangible assets	11	2,224	2,240	1,959
Deferred receivables	12	245	934	977
Investments		–	–	2
		<u>2,502</u>	<u>3,199</u>	<u>2,959</u>
CURRENT ASSETS				
Other receivables, deposits and prepayments	13	416	219	497
Cash and bank balances	14	247	19	160
		<u>663</u>	<u>238</u>	<u>657</u>
TOTAL ASSETS		<u><u>3,165</u></u>	<u><u>3,437</u></u>	<u><u>3,616</u></u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital	15	50	50	50
Accumulated profits		<u>225</u>	<u>426</u>	<u>629</u>
TOTAL EQUITY		<u>275</u>	<u>476</u>	<u>679</u>
NON-CURRENT LIABILITIES				
Other payables	17	1,123	929	725
Deferred tax liabilities	18	–	45	107
		<u>1,123</u>	<u>974</u>	<u>832</u>
CURRENT LIABILITIES				
Other payables and accruals	16	1,658	1,934	1,964
Taxation payable		<u>109</u>	<u>53</u>	<u>141</u>
		1,767	1,987	2,105
TOTAL LIABILITIES		<u>2,890</u>	<u>2,961</u>	<u>2,937</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,165</u></u>	<u><u>3,437</u></u>	<u><u>3,616</u></u>

COMBINED AND CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

The combined and consolidated statements of changes in equity of the CentralNic Group for each of the three years ended 31 December 2010, 2011 and 2012 are set out below:

	<i>Share capital £'000</i>	<i>Accumulated profits £'000</i>	<i>Total £'000</i>
Balance as at 1 January 2010	50	141	191
Profit/(loss) after taxation and total comprehensive income for the year	–	184	184
Total comprehensive income for the year	–	184	184
Dividends	–	(100)	(100)
Balance as at 31 December 2010	50	225	275
Profit after taxation and total comprehensive income for the year	–	402	402
Total comprehensive income for the year	–	402	402
Dividends	–	(201)	(201)
Balance as at 31 December 2011	50	426	476
Profit after taxation and total comprehensive income for the year	–	593	593
Total comprehensive income for the year	–	593	593
Dividends	–	(390)	(390)
Balance as at 31 December 2012	50	629	679

Retained profits represent the cumulative value of the profits not distributed to shareholders, but retained to finance the future capital requirements of the CentralNic Group.

COMBINED AND CONSOLIDATED STATEMENTS OF CASH FLOWS

The combined and consolidated statements of cash flows for the CentralNic Group for each of the three years ended 31 December 2010, 2011 and 2012 are set out below:

	2010 £'000	2011 £'000	2012 £'000
Cash flow from operating activities			
Profit before taxation	248	485	835
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	26	21	25
Amortisation of Intangible Assets	321	327	274
	<u>595</u>	<u>833</u>	<u>1,134</u>
Operating profit before working capital changes			
Increase in other receivables, deposits and prepayments	(7)	(30)	(103)
Increase in other payables and accruals	465	277	43
	<u>1,053</u>	<u>1,080</u>	<u>1,074</u>
Cash flow from operations			
Income tax paid	(84)	(94)	(92)
	<u>969</u>	<u>986</u>	<u>982</u>
Net cash flow from operating activities			
Cash flow used in investing activities			
Purchase of property, plant and equipment	(42)	(13)	(20)
Purchase of intangible assets	(1)	(343)	(11)
Disposal of intangible assets	–	–	18
Purchase of investments	–	–	(2)
	<u>(43)</u>	<u>(356)</u>	<u>(15)</u>
Net cash flow used in investing activities			
Cash flow used in financing activities			
Increase in loans to shareholders	(644)	(462)	(218)
Dividends paid	(100)	(201)	(390)
Reduction in deferred consideration	(117)	(195)	(218)
	<u>(861)</u>	<u>(858)</u>	<u>(826)</u>
Net cash flow used in financing activities			
Net increase/(decrease) in cash and cash equivalents	65	(228)	141
Cash and cash equivalent at beginning of the year	182	247	19
	<u>247</u>	<u>19</u>	<u>160</u>
Cash and cash equivalent at end of the year			

NOTES TO THE COMBINED AND CONSOLIDATED FINANCIAL INFORMATION

1. General information

(a) *Nature of operations*

CentralNic is a UK operating company registered in England and Wales with company number 4985780. Its registered office and principal place of business is 35-39 Moorgate, London EC2R 6AR. It was incorporated on 5 December 2003 and is a UK operating company.

CentralNic is an independent global domain name registry service provider. It provides registry services and strategic consultancy for new Top Level Domains ("TLDs"), Country Code TLD's ("ccTLDs") and Second-Level Domains ("SLDs") and it is the owner and registrant for a portfolio of domain names, which it uses as SLD extensions for domains.

In the three years ended 31 December 2012, CentralNic held 100 per cent. of the issued share capital of three subsidiary entities – CentralNic USA Ltd, GB.com Limited and Whols Privacy Limited. The issued share capital of a further entity, TLD Registrar Solutions Limited was held under common control.

(b) *Component undertakings*

The principal activities of the subsidiaries and other entities included in the combined and consolidated financial information are as follows:

<i>Name</i>	<i>Place of incorporation/ establishment</i>	<i>Principal activities</i>	<i>Issued and paid-up/ registered capital</i>	<i>Effective interests</i>
CentralNic USA Ltd	USA	US sales office	Ordinary stock	100%
GB.com Limited	England & Wales	Dormant – holds domain name	Ordinary shares	100%
Whols Privacy Limited	England & Wales	Dormant	Ordinary shares	100%
TLD Registrar Solutions Limited	England and Wales	Dormant – registrar	Ordinary shares	100%

2. Application of IFRS

(a) *Basis of preparation*

The combined and consolidated financial information has been prepared in accordance with IFRS issued by the IASB, including IAS and interpretations issued by IFRIC, as adopted for use in the European Union.

The combined and consolidated financial information is presented in UK Pounds Sterling ("£"), which is the functional currency for CentralNic. The functional currency of CentralNic USA Ltd is the US\$. All financial information presented in £ has been rounded to the nearest thousand unless otherwise stated.

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

The Company has not applied the new IFRSs that have been issued but are not yet effective. The transfer to these new or revised standards and interpretation is not expected to have a material impact on the combined financial statements. At the date of this financial information, the following standards and interpretations were in issue but not yet adopted by the European Union:

*IFRS 9 Financial instruments; and
IFRS 10, 12 and 27 (amended) Investment Entities.*

At the date of this financial information, the following standards and interpretations had been issued by the IASB and approved by the European Union but are not yet in effect:

*IAS 1 (amended) – Presentation of items of other comprehensive income;
IAS 19 (amended) – Employee benefits;
IFRS 1 (amended – applicable only to first time adopters of IFRS) – Government loans;
IFRS 10 Consolidated financial statements;
IFRS 11 Joint arrangements;
IFRS 12 Disclosure of Interests in other entities;
IFRS 13 Fair value measurement;
IAS 27 Separate financial statements;
IAS 28 Investments in associates and joint ventures;
IAS 32 (amended) – Offsetting of financial assets and financial liabilities; and
IFRIC 20 Stripping costs in the production phase of a surface mine.*

3. Summary of significant accounting policies

The combined and consolidated financial information has been prepared on the historical cost basis, as explained in the accounting policies set out below, which has been prepared in accordance with IFRS. The principal accounting policies are set out below.

(a) **Basis of consolidation**

The combined and consolidated financial information presents the aggregated results of the CentralNic Group as if CentralNic and its subsidiaries had always been combined. Under this method, the results and net assets of CentralNic and its subsidiaries are aggregated (with eliminations for intercompany transactions and balances), as are the related share capital balances and reserves for each of the three years ended 31 December 2010, 2011 and 2012.

(b) **Functional and foreign currencies**

(i) *Functional and presentation currency*

The financial information is presented in £ rounded to the nearest thousand, which is CentralNic's functional and presentation currency.

The individual financial statements of CentralNic Group entities are presented in the currency of the primary economic environment in which the entity operates, which is either £ or US\$.

(ii) *Transactions and balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) **Financial instruments**

Financial assets and liabilities are recognised in the statements of financial position when CentralNic or one of the CentralNic Group entities has become a party to the contractual provisions of the instruments.

The CentralNic Group's financial assets and liabilities are initially measured at fair value plus any directly attributable transaction costs. The carrying value of the CentralNic Group's financial assets, primarily cash and bank balances, and liabilities, primarily CentralNic's payables and other accrued expenses, approximate their fair values.

Financial instruments are offset when the CentralNic 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.

Financial instruments recognised in the pro forma aggregated statements of financial position are disclosed in the individual policy statement associated with each item.

(i) *Financial assets*

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

● *Trade and other receivables, deposits, and prepayments*

Trade and other receivables (including prepayments) that have fixed or determinable payments that are not quoted in an active market are classified as other receivables, deposits, and prepayments. Other receivables, deposits, and prepayments are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

● *Cash and bank balances*

Cash and bank balances comprise cash balances that are subject to insignificant risk of changes in their fair value, and are used by the CentralNic Group in the management of its short-term commitments.

(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 and other payables and accruals, 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 on 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.

● *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 CentralNic 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.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) **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 under the straight-line method 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	33%
Furniture and fittings	15% – 20%

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.

Subsequent 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 CentralNic 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. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the CentralNic Group are obligated to incur when the asset is acquired, if applicable.

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 de-recognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

(e) **Intangible assets – domain names**

Intangible assets represent amounts paid to acquire the rights to own and act as registrant for a portfolio of domain names or amounts in respect of such intangible assets originally included at directors valuation but treated as deemed cost on transition to IFRS which, for the purposes of this financial information, was 1 January 2010.

Capitalised domain names have a finite useful life and are measured at cost less accumulated amortisation and impairment losses, if any. Domain names are amortised on an annual basis at the rate of 10 per cent. to 20 per cent. reducing balance.

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 profit and loss.

Costs for development initiatives that the CentralNic Group undertakes that are not otherwise allocable to specific domain names or projects are charged to expense through profit and loss when incurred.

(f) **Impairment**

(i) *Impairment of financial assets*

Financial assets not categorised at fair value through profit or loss are assessed at the end of each reporting period to determine whether there is any objective evidence of impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that loss event(s) had an impact on the estimated future cash flows of the asset. Objective evidence that financial assets are impaired includes default or delinquency by a debtor and the restructuring of an amount due to the CentralNic Group on terms that the CentralNic Group would not consider otherwise.

An impairment loss in respect of a financial asset measured at amortised cost, including other receivables, deposits, and prepayments, is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against the amounts receivables.

When the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(ii) *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 assets is the higher of the assets' fair value less cost 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.

An impairment loss is recognised in profit or loss immediately.

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 in profit or loss immediately.

(g) **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 information.

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 outside profit or loss. Deferred tax items are 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.

(h) **Cash and cash equivalents**

Cash and bank balances comprise 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 CentralNic Group.

(j) **Provisions, contingent liabilities and contingent assets**

Provisions are recognised if, as a result of a past event, the CentralNic 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 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 CentralNic 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 information but is disclosed in the notes to the financial information. 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 CentralNic Group. The CentralNic Group does not recognise contingent assets but discloses their existence where inflows of economic benefits are probable, but not virtually certain.

(k) **Related parties**

A party is considered to be related to the CentralNic Group if, the party:

- i. directly, or indirectly through one or more intermediaries:
 - controls, is controlled by, or is under common control with, the CentralNic Group (this includes parents, subsidiaries and fellow subsidiaries);
 - has an interest in the CentralNic Group that gives it significant influence over the entity; or
 - has joint control over the CentralNic Group.
- ii. is an associate of the CentralNic Group;
- iii. is a joint venture in which the CentralNic Group is a venturer;
- iv. is a member of the key management personnel of the CentralNic Group;
- v. is a close member of the family of any individual referred to in (i) or (iv);
- vi. is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

- vii. is a post-employment benefit plan for the benefit of employees of the CentralNic Group, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(l) **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.

Revenue from the sale of services is recognised when the amounts of revenue and cost can be measured reliably. In particular:

(i) *Sale of registry services for domain names ("Domain sales")*

Revenue from the provision of registry and similar services under contracts for the sale of domain names by registrars and re-sellers reflect the period over which the underlying sales contract has been entered into by the registrar or re-seller, which can be for periods of between one and ten years. Revenues attributable to future periods are deferred to future periods and included in 'Deferred revenues'.

(i) *Sale of consultancy and other services ("Consultancy")*

Revenue from strategic consultancy and similar services is recognised in profit and loss in proportion to the stage of completion of the assignment at the reporting date. The stage of completion is determined based on completion of work performed.

(m) **Leases**

Assets held under leases are classified as operating leases and are not recognised in the CentralNic Group's statement of financial position. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as part of the total lease expense, over the term of the lease.

4. Critical accounting judgments and key sources of estimating uncertainty

In the application of the CentralNic Group's accounting policies, which are described in note 3, the Directors are required to make judgments, 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 on-going 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 significant adjustment to the carrying amounts of assets and liabilities in the Financial Information:

Impairment Testing

The recoverable amounts of individual non-financial assets are determined based on the higher of the value-in-use calculations and the recoverable amount, or 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 tangible and intangible assets.

The Directors review and test the carrying value of tangible 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 dependent 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.

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.

Estimation of useful life

The charge in respect of periodic amortisation and depreciation is derived after determining an estimate of an asset's expected useful life. The useful lives of the assets are determined by management at the time the asset is acquired and are reviewed continually for appropriateness.

5. Segment analysis

CentralNic is an independent global domain name registry service provider. It provides registry services and strategic consultancy and it is the owner and registrant for a portfolio of domain names, which it uses as SLD domain extensions for domains. Management reviews the activities of the CentralNic Group as one segment.

The CentralNic Group's revenue from external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas:

	2010		2011		2012	
	<i>Revenue</i>	<i>Non-current assets</i>	<i>Revenue</i>	<i>Non-current assets</i>	<i>Revenue</i>	<i>Non-current assets</i>
	£'000	£'000	£'000	£'000	£'000	£'000
United States	562	60	568	36	899	6
Europe	1,295	2,442	1,963	3,163	2,034	2,953
	<u>1,857</u>	<u>2,502</u>	<u>2,531</u>	<u>3,199</u>	<u>2,933</u>	<u>2,959</u>

6. Revenue

	2010	2011	2012
	£'000	£'000	£'000
Revenue from Domain Sales	1,748	2,413	2,479
Revenue from Consultancy	–	25	424
Other revenue	109	93	30
	<u>1,857</u>	<u>2,531</u>	<u>2,933</u>

The following table shows customers that represent 10 per cent. or more of total revenue:

	2010 £'000	2011 £'000	2012 £'000
Customer A	458	485	516
Customer B	282	295	345
Other customers	1,117	1,751	2,072
	<u>1,857</u>	<u>2,531</u>	<u>2,933</u>

7. Profit before taxation

The profit before taxation is stated after charging the following amounts.

	2010 £'000	2011 £'000	2012 £'000
Employee benefit expense	355	541	580
Rent expense – office space	43	42	42
Directors' fees	110	110	110
Depreciation and amortisation expense	347	348	299

8. Income tax expense – deferred tax benefit

	<i>As at 31 December</i>		
	2010 £'000	2011 £'000	2012 £'000
Current tax	64	38	180
Deferred tax	–	45	62
	<u>64</u>	<u>83</u>	<u>242</u>

A reconciliation of the current tax expense applicable to the profit before taxation at the statutory tax rate to the income tax expense at the effective tax rate of CentralNic are as follows:

	<i>As at 31 December</i>		
	2010 £'000	2011 £'000	2012 £'000
Profit before taxation	<u>248</u>	<u>485</u>	<u>835</u>
Tax at the applicable statutory tax rate of 24.5% (2011 – 20.3%, 2010 – 21.0%)	52	98	205
Tax effects of:			
Non-deductible expenses	10	14	20
Capital allowance in excess of depreciation			
Adjustment in research and development tax credit	–	(33)	–
Other differences	2	(41)	(45)
Current tax expenses for the financial year	<u>64</u>	<u>38</u>	<u>180</u>

9. Pro forma earnings/(loss) per share

This financial information represents the historical information prior to group reconstruction on 9 August 2013 whereby the Company became the new parent company of the CentralNic Group. It is of limited significance to calculate earnings per share based on the historical equity of the CentralNic Group.

Accordingly, a pro forma earnings per share has been included based on the relevant number of shares in CentralNic Group plc following the acquisition but prior to the issue of shares by the Company to raise new funds. The calculation of earnings per share is based on the following earnings and number of shares.

	2010 £'000	2011 £'000	2012 £'000
Profit after tax attributable to owners	184	402	593
Weighted average number of shares:			
Basic and diluted	50 million	50 million	50 million
Earnings per share:			
Basic and diluted	0.37 pence	0.80 pence	1.19 pence

10. Property, plant and equipment

	<i>Computer equipment</i> £'000	<i>Furniture and fittings</i> £'000	<i>Total</i> £'000
Cost			
At 1 January 2010	69	27	96
Additions	38	4	42
At 31 December 2010	107	31	138
Additions	13	–	13
At 31 December 2011	120	31	151
Additions	21	–	21
At 31 December 2012	141	31	172
Accumulated depreciation			
At 1 January 2010	53	26	79
Charge for year	25	1	26
At 31 December 2010	78	27	105
Charge for the year	20	1	21
At 31 December 2011	98	28	126
Charge for the year	24	1	25
At 31 December 2012	122	29	151
Property, plant, and equipment, net			
At 31 December 2010	29	4	33
At 31 December 2011	22	3	25
At 31 December 2012	19	2	21

Depreciation of property, plant and equipment is included in administrative expenses in the combined and consolidated statement of comprehensive income.

11. Intangible assets

	<i>Domain names £'000</i>
Cost or deemed cost	
At 1 January 2010	3,100
Additions	1
	<hr/>
At 31 December 2010	3,101
Additions	343
	<hr/>
At 31 December 2011	3,444
Additions	11
Disposal	(18)
	<hr/>
At 31 December 2012	3,437
	<hr/> <hr/>
Amortisation	
At 1 January 2010	556
Charge for the year	321
	<hr/>
At 31 December 2010	877
Charge for the year	327
	<hr/>
At 31 December 2011	1,204
Charge for the year	274
	<hr/>
At 31 December 2012	1,478
	<hr/> <hr/>
Intangible assets, net	
At 31 December 2010	2,224
	<hr/> <hr/>
At 31 December 2011	2,240
	<hr/> <hr/>
At 31 December 2012	1,959
	<hr/> <hr/>

Amortisation of intangible assets is included in administrative expenses in the combined and consolidated statement of comprehensive income.

12. Deferred receivables

	<i>2010 £'000</i>	<i>2011 £'000</i>	<i>2012 £'000</i>
Amounts due from shareholders	245	934	977
	<hr/>	<hr/>	<hr/>
	245	934	977
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Deferred receivables are amounts due from Jabella Group Limited, a shareholder in CentralNic during the period. Amounts due from Jabella Group Limited are interest free until 31 August 2013, from which time the balance will accrue interest at 2 per cent. above LIBOR. The balance is unsecured and repayable, as agreed between the parties, on 31 August 2011. The directors consider that the fair value of this receivable is not materially different from the carrying value.

13. Other receivables, deposits and prepayments

	2010 £'000	2011 £'000	2012 £'000
Other receivables	320	27	157
Prepayments	17	20	21
Amounts due from shareholders (see note 19)	79	172	319
	<u>416</u>	<u>219</u>	<u>497</u>

14. Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	2010 £'000	2011 £'000	2012 £'000
CentralNic UK	138	17	19
CentralNic USA	109	2	141
	<u>247</u>	<u>19</u>	<u>160</u>

15. Share capital

	Number of shares					
	2010	2011	2012			
(a) Authorised						
'A' Ordinary shares	19,500	19,500	19,500			
'B' Ordinary shares	30,500	30,500	30,500			
				£	£	£
	2010	2011	2012	2010	2011	2012
(b) Issued and fully paid						
'A' Ordinary shares	19,500	19,500	19,500	19,500	19,500	19,500
'B' Ordinary shares	30,500	30,500	30,500	30,500	30,500	30,500
	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>	<u>19,500</u>
	<u>30,500</u>	<u>30,500</u>	<u>30,500</u>	<u>30,500</u>	<u>30,500</u>	<u>30,500</u>

CentralNic has two authorised and issued classes of shares, "A" shares and "B" shares. However, the two classes of shares have the same rights and rank *pari passu* in all respects.

16. Other payables and accruals

	2010 £'000	2011 £'000	2012 £'000
Accounts payable	37	61	92
Accrued expenses	13	13	3
Other taxes and social security	55	85	76
Deferred consideration	175	226	219
Deferred revenue	1,354	1,516	1,540
Other liabilities	24	33	34
	<u>1,658</u>	<u>1,934</u>	<u>1,964</u>

17. Non current other payables

	2010 £'000	2011 £'000	2012 £'000
Deferred consideration	691	445	234
Deferred revenue	432	484	491
	<u>1,123</u>	<u>929</u>	<u>725</u>

18. Deferred taxation

	Short term timing differences £'000
At 1 January 2010 and 31 December 2010	–
Transfers in the period	45
At 31 December 2011	45
Transfers in the period	62
At 31 December 2012	<u>107</u>

19. Related party disclosures

(a) **Ultimate controlling party**

The ultimate controlling parties are considered to be Erin Invest & Finance Limited, the single largest shareholder of CentralNic in the period, and Robert Pooke.

(b) **Subsidiaries and other related entities**

CentralNic Group Plc has 100 per cent. ownership of CentralNic and TLD Registrar Services Ltd.

CentralNic owns 100 per cent. of CentralNic USA, Whols Privacy Ltd and GB.com Ltd

(c) **Related party transactions**

(i) *Shareholders*

CentralNic had the following balances outstanding with shareholders:

	2010 £'000	2011 £'000	2012 £'000
Erin Investments & Finance Limited	19	72	183
Robert Pooke	60	100	136
Jabella Group Limited	245	934	977
	<u>245</u>	<u>934</u>	<u>977</u>

CentralNic had the following transactions with two members of Erin Investments & Finance Limited:

	2010 £'000	2011 £'000	2012 £'000
Operating lease payments	42	42	42
	<u>42</u>	<u>42</u>	<u>42</u>

(ii) *Key management personnel*

Total remuneration of key management personnel being the Directors, is set out below in aggregate for each of the categories specified in IAS24, related party disclosures

	2010 £'000	2011 £'000	2012 £'000
Short-term benefits	367	363	367
	<u>367</u>	<u>363</u>	<u>367</u>

CentralNic had the following balances outstanding with key management personnel:

	2010 £'000	2011 £'000	2012 £'000
Advance to key management personnel	–	–	22
	<u>–</u>	<u>–</u>	<u>22</u>

20. Operating leases

At the end of each of the reporting periods, the minimum lease payments under non-cancellable leases are payable as follows:

	2010 £'000	2011 £'000	2012 £'000
Less than one year	42	42	42
Between one and five years	168	126	84
	<u>210</u>	<u>168</u>	<u>126</u>

CentralNic leases office space located at 35-39 Moorgate, London EC2R 6AR under an operating lease. The lease agreement was entered into on 1 January 2010 for an initial term of 6 years with options to renew the lease. CentralNic leases equipment under various operating leases. These leases typically run for periods from one month to five years.

21. Subsequent events

On 31 May 2013 CentralNic declared a dividend of £12.77 per share. Amounts of £520,199 in aggregate were offset against amounts due from shareholders.

22. Financial instruments

The CentralNic Group is exposed to market risk, credit risk and liquidity risk arising from financial instruments. The CentralNic Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the CentralNic Group's financial performance.

(a) **Financial risk management framework**

The Directors' risk management policies are established to identify and analyse the risks faced by the CentralNic Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

(i) *Market risk*

(i) *Foreign currency risk*

The CentralNic Group is exposed to foreign currency risk on transactions and balances that are denominated in a currency other than its functional currency, primarily the US\$. Foreign currency risk is monitored closely on an on-going basis to ensure that the net exposure is at an acceptable level.

The CentralNic Group's exposure to foreign currency risk is minimal as it trades in predominately US Dollars, Euros and GB Pound Sterling. Exposure to currency risk is negated by the CentralNic Group holding adequate reserves in these three currencies to meet trading and provisioned obligations as the need arises.

(ii) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The CentralNic 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.

As at each of 31 December 2010, 2011 and 2012, all of the CentralNic Group's interest-bearing financial instruments bore interest at fixed interest rates.

(iii) *Equity price risk*

The CentralNic Group does not have any quoted investments as at each of 31 December 2010, 2011 and 2012 and as such does not have significant exposure to equity price risk.

(ii) *Credit risk*

The CentralNic Group's exposure to credit risk arises mainly from counterparty's failure to meet its obligation to settle a financial asset, primarily prepayments and other receivables. The Directors consider the CentralNic Group's exposure to credit risk arising from trade receivables to be minimal as the CentralNic Group is generally paid in at the outset or in advance. Credit risk arising from other receivables is controlled through monitoring procedures, including credit approvals and credit limits. For cash and bank balances, the Directors minimise the CentralNic 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.

	<i>As at 31 December</i>		
	<i>2010</i>	<i>2011</i>	<i>2012</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Deferred receivables	245	934	977
Other receivables, deposits and prepayments	416	219	497
Cash and bank balances	247	19	160
	<u>908</u>	<u>1,172</u>	<u>1,634</u>

(iii) *Liquidity risk*

Liquidity risk is the risk that the CentralNic Group will encounter difficulty in settling its financial obligations that are settled with cash or another financial asset. The Directors' objective is to maintain, as much as possible, a level of its cash and bank balances adequate enough to ensure that there will be sufficient liquidity to meet its liabilities when they fall due.

The following set forth the remaining contractual maturities of financial liabilities as at:

<i>£'000</i>	<i>Carrying amount</i>	<i>Total</i>	<i>Within 1 year</i>	<i>1 – 5 years</i>
31 December 2010				
Other payables and accruals	2,781	2,781	1,658	1,123
	<u>2,781</u>	<u>2,781</u>	<u>1,658</u>	<u>1,123</u>
	<u><u>2,781</u></u>	<u><u>2,781</u></u>	<u><u>1,658</u></u>	<u><u>1,123</u></u>
	<i>Carrying amount</i>	<i>Total</i>	<i>Within 1 year</i>	<i>1 – 5 years</i>
31 December 2011				
Other payables and accruals	2,863	2,863	1,934	929
	<u>2,863</u>	<u>2,863</u>	<u>1,934</u>	<u>929</u>
	<u><u>2,863</u></u>	<u><u>2,863</u></u>	<u><u>1,934</u></u>	<u><u>929</u></u>
	<i>Carrying amount</i>	<i>Total</i>	<i>Within 1 year</i>	<i>1 – 5 years</i>
31 December 2012				
Other payables and accruals	2,689	2,689	1,964	725
	<u>2,689</u>	<u>2,689</u>	<u>1,964</u>	<u>725</u>
	<u><u>2,689</u></u>	<u><u>2,689</u></u>	<u><u>1,964</u></u>	<u><u>725</u></u>

(b) **Capital risk management**

The Directors define capital as the total equity of CentralNic. The Directors' objectives when managing capital are to safeguard the CentralNic 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 amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Directors manage CentralNic's capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities less cash and cash equivalents.

The debt-to-equity ratio of the CentralNic Group as at the end of each of the reporting periods was as follows:

	<i>2010</i>	<i>2011</i>	<i>2012</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Total liabilities	2,781	2,863	2,689
Less: cash and bank balances	(247)	(19)	(160)
Net debt	<u>2,534</u>	<u>2,844</u>	<u>2,529</u>
Total (deficit)/equity	<u>275</u>	<u>476</u>	<u>679</u>
Debt-to-equity ratio	<u>9.2</u>	<u>6.0</u>	<u>3.7</u>

(c) **Fair values of financial instruments**

The carrying amounts of the financial assets and liabilities reported in the combined and consolidated financial information approximate their fair values.

£'000	2010		2011		2012	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Other receivables, deposits and prepayments	416	416	219	219	497	497
Deferred receivables	245	245	934	934	977	977
Cash and bank balances	247	247	19	19	160	160
	<u>908</u>	<u>908</u>	<u>1,172</u>	<u>1,172</u>	<u>1,634</u>	<u>1,634</u>
Other payables and accruals	2,781	2,781	2,863	2,863	2,689	2,689
	<u>2,781</u>	<u>2,781</u>	<u>2,863</u>	<u>2,863</u>	<u>2,689</u>	<u>2,689</u>

(d) **Fair value hierarchy**

Financial instruments carried at fair value are analysed by the levels in the 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).

As at 31 December 2010, 2011 and 2012, there were no financial instruments carried at fair values.

23. Nature of financial information

The financial information presented above does not constitute statutory financial information for the CentralNic Group for each of the three years ended 31 December 2012.

PART IV
ACCOUNTANTS' REPORT ON THE COMPANY

13 August 2013



The Directors
CentralNic Group Plc
35-39 Moorgate
London
EC2R 6AR

The Directors
Zeus Capital Ltd
3 Ralli Courts
West Riverside
Manchester
M3 5FT

Dear Sirs

Introduction

This financial information has been prepared for inclusion in Part IV "*Accountants' Report on the Financial Information of the Company*" of the AIM Admission Document dated 13 August 2013 (the "Document") of CentralNic Group Plc (the "Company"), on the basis of the accounting policies set out in Note 2 to the financial information. This report is required by paragraph (a) of Schedule Two to the AIM Rules for Companies (the "AIM Rules") and is given for the purposes of complying with the AIM Rules and for no other purpose.

Responsibilities

The Directors are responsible for preparing the financial information on the basis of preparation set out in Note 2 below and in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

It is our responsibility to form an opinion on the financial information as to whether the financial information gives a true and fair view, for the purposes of the Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any person other than the addressees of this letter for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules, consenting to its inclusion in the Document.

Basis of Opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the underlying financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the financial information gives, for the purposes of the Document, a true and fair view of the state of affairs of the Company as at the date stated and of the results, cash flows and changes in equity for the period then ended in accordance with the basis of preparation set out in Note 2 to the financial information and has been prepared in accordance with IFRS and has been prepared in a form that is consistent with the accounting policies adopted by the Company.

Declaration

For the purposes of paragraph (a) of Schedule Two of the AIM Rules, we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Paragraph (a) of Schedule Two of the AIM Rules.

Yours faithfully

Crowe Clark Whitehill LLP

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

The statement of financial position of the Company as at 30 June 2013 is stated below:

	<i>£'000</i>
Assets	
<i>Current assets</i>	
Trade and other receivables	—
Total assets	<u>—</u>
Equity and liabilities	
<i>Capital and reserves</i>	
Share capital	—
Total equity attributable to equity holders	—
Total liabilities	—
Total equity and liabilities	<u>—</u>

STATEMENT OF COMPREHENSIVE INCOME

The statement of comprehensive income of the Company for the period from incorporation on 19 June 2013 to 30 June 2013 is stated below:

	<i>Note</i>	<i>£'000</i>
Total comprehensive income attributable to equity owner		<u>—</u>
Earnings per share	3	
Basic and diluted (£ per share)		<u>—</u>

STATEMENT OF CHANGES IN EQUITY

The statements of changes in equity of the Company for period from incorporation on 19 June 2013 to 30 June 2013 are set out below:

	<i>Share capital</i>
	<i>£'000</i>
On incorporation*	—
Result for the period	—
As at 30 June 2013	<u>—</u>

The share capital comprises the ordinary issued share capital of the Company.

*Issued share capital was one share of £1.

STATEMENT OF CASH FLOWS

The statement of cash flows of the Company for the period from incorporation on 19 June 2013 to 30 June 2013 is as follows:

	<i>£'000</i>
Financing activities	
Proceeds from issue of share capital	—
Net cash from financing activities	<u>—</u>
Net increase in cash and cash equivalents	—
Cash and cash equivalents at end of period	<u>—</u>

NOTES TO THE FINANCIAL INFORMATION

1. General Information

The Company was incorporated as a private company limited by shares in England and Wales, on 19 June 2013 and did not trade during the period under review. The registered office of the Company 35-39 Moorgate, London EC2R 6AR and the nature of operations is to act as the holding company of a group involved in the provision of registry services and strategic consultancy for new Top Level Domains (“TLDs”), Country Code TLD’s (“ccTLDs”) and Second-Level Domains (“SLDs”); and registrant for a portfolio of domain names which it uses as SLD domain extensions for domains.

2. Accounting Policies

Basis of preparation

This financial information of the Company has been prepared on a historical basis as varied by the use of fair value in accordance with IFRS, International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations as adopted by the European Union.

The financial information of the Company is presented in Pound Sterling. All financial information presented in £ has been rounded to the nearest thousand unless otherwise stated.

Standards and interpretations issued but not yet applied

The Company has not applied the new IFRSs that have been issued but are not yet effective. The transfer to these new or revised standards and interpretations is not expected to have a material impact on the financial statements of the Company.

At the date of this information, the following standards and interpretations were in issue but not yet adopted by the European Union:

IFRS 9 Financial Instruments; and
IFRS 10, 12 and 27 (amended) Investment Entities.

At the date of this financial information, the following standards and interpretations had been issued by the IASB and approved by the European Union but are not yet in effect:

IFRS 1 (amended) – Government loans
IFRS 10 Consolidated financial statements
IFRS 11 Joint arrangements
IFRS 12 Disclosure of Interests in other entities
IFRS 13 Fair value measurement
IAS 1 (amended) – Presentation of items of other comprehensive income
IAS 19 (amended) – Employee benefits
IAS 27 Separate financial statements
IAS 28 Investments in associates and joint ventures
IAS 32 (amended) – Offsetting of financial assets and financial liabilities
IFRIC 20 Stripping costs in the production phase of a surface mine

Comparative figures

No comparative figures have been presented as the financial information covers the period from incorporation to 30 June 2013.

Cash and cash equivalents

The Company considers any cash on short-term deposits and other short term investments to be cash equivalents.

3. Earnings per share

The calculation for earnings per share (basic and diluted) for the relevant period is based on the profit after income tax attributable to equity holder for the period from incorporation on 19 June 2013 to 30 June 2013 and is as follows:

Profit attributable to equity holders (£'000)	–
Weighted average number of shares	1
	<hr/>
Earnings per share (£'000)	–
	<hr/> <hr/>

4. Share capital

On 19 June 2013, the Company was incorporated and issued one Ordinary Share of £1.00 to John Swingewood.

5. Subsequent events

On 9 August 2013, the Company entered into an agreement with Don Baladasan pursuant to which it acquired the entire issued share capital of TLD Registrar Solutions Limited. The consideration payable was £1.00.

On 9 August 2013, the Company issued 49,999 ordinary shares in exchange for the entire issued share capital of CentralNic pursuant to the Share Exchange Agreement (further details of which are set out in paragraph 9.8 of Part VI).

On 9 August 2013, the Company sub-divided its 50,000 ordinary shares of £1 each into 50 million ordinary shares of 0.1p each pursuant to an ordinary resolution of the Company.

On 12 August 2013, the Company was re-registered as a public limited company and the Articles were adopted pursuant to a special resolution of the Company.

6. Nature of financial information

The financial information presented above does not constitute statutory accounts for the period under review.

PART V

UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET ASSETS

13 August 2013



The Directors
CentralNic Group Plc
35-39 Moorgate
London
EC2R 6AR

The Directors
Zeus Capital Ltd
3 Ralli Courts
West Riverside
Manchester
M3 5FT

Dear Sirs

Introduction

We report on the unaudited pro forma financial information of CentralNic Group Plc (the "Company") and its 100 per cent. subsidiaries CentralNic USA Ltd, GB.com Limited and Whols Privacy Limited and a further entity, TLD Registrar Solutions Limited, 100 per cent. of the share capital of which was held under common control in the period (together the "CentralNic Group") (together, the "Group") set out in Part V of the AIM Admission Document (the "Admission Document") dated 13 August 2013 (the "Document"). This pro forma financial information has been prepared on the basis of the notes thereto, for illustrative purposes only, to provide information about how the Placing, which took place prior to Admission, might have affected the financial information presented on the basis of the accounting policies adopted by the Group in preparing its financial information for the year ended 31 December 2013 for the Company and the period ended 31 December 2012 for the CentralNic Group. This report is required by Schedule Two of the AIM Rules and is given for the purpose of complying with that scheduled and for no other purpose.

Responsibilities

It is the responsibility of the Directors of the Company to prepare the unaudited pro forma financial information. It is our responsibility to form an opinion on the financial information as to the proper compilation of the unaudited pro forma financial information and to report our opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the unaudited pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the Directors of the Company.

We planned and performed our work so as to obtain all the information and explanations we considered necessary in order to provide us with reasonable assurance that the unaudited pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Group.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Group.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules we are responsible for this report as part of the Document and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Document in compliance with Schedule Two of the AIM Rules.

Yours faithfully

Crowe Clark Whitehill LLP

Chartered Accountants

UNAUDITED PRO FORMA STATEMENT OF CONSOLIDATED NET ASSETS

Set out below is an unaudited pro forma statement of consolidated net assets of the Company, which has been prepared on the basis of the Company's financial information at 30 June 2013 and the financial information of the CentralNic Group at 31 December 2012, as adjusted for the Placing proceeds, as set out in the notes below. The unaudited pro forma statement has been prepared for illustrative purposes only and, because of its nature, will not represent the actual consolidated financial position of the Company at the date of Admission.

	<i>Company</i> <i>(Note 1)</i> <i>£'000</i> <i>Audited</i>	<i>CentralNic</i> <i>Group</i> <i>(Note 2)</i> <i>£'000</i> <i>Audited</i>	<i>Placing</i> <i>proceeds</i> <i>(Note 3)</i> <i>£'000</i> <i>Unaudited</i>	<i>Consolidated</i> <i>pro forma</i> <i>net assets</i> <i>£'000</i> <i>Unaudited</i>
NON-CURRENT ASSETS				
Property, plant and equipment	–	21	–	21
Intangible assets	–	1,959	–	1,959
Deferred receivables	–	977	–	979
Investments	–	2	–	2
	<u>–</u>	<u>2,959</u>	<u>–</u>	<u>2,959</u>
CURRENT ASSETS				
Other receivables, deposits and prepayments	–	497	–	497
Cash and cash equivalents	–	160	4,400	4,560
	<u>–</u>	<u>657</u>	<u>4,400</u>	<u>5,057</u>
NON-CURRENT LIABILITIES				
Other payables	–	725	–	725
Deferred tax liabilities	–	107	–	107
	<u>–</u>	<u>832</u>	<u>–</u>	<u>832</u>
CURRENT LIABILITIES				
Trade and other payables and accruals	–	1,964	–	1,964
Provision for taxation	–	141	–	141
	<u>–</u>	<u>2,105</u>	<u>–</u>	<u>2,105</u>
NET ASSETS	<u>–</u>	<u>679</u>	<u>4,400</u>	<u>5,079</u>

Notes:

- The audited statement of financial position of the Company as at 30 June 2013 has been extracted, without further adjustments from the Company's financial information set out in Part IV of the Admission Document. No account has been taken of the activities of the Company subsequent to 30 June 2013.
- The audited statement of financial position of the CentralNic Group as at 31 December 2012 has been extracted without adjustment from its financial information set out in Part III of the Admission Document. No account has been taken of the activities of CentralNic Limited subsequent to 31 December 2012.
- The Company raised £5 million (gross) from the Placing. Associated costs of the placing were approximately £600,000 (excluding VAT). The net proceeds from the Placing were approximately £4.4 million.
- The Directors consider that the substance of the acquisition of the CentralNic Group by the Company is that it is a reverse acquisition and that, in order to give a true and fair view, the reverse acquisition accounting method, as permitted by IFRS 3 'Business combinations', will be adopted as the basis for consolidation in the first published accounts of the Company following completion of the acquisition.

PART VI

ADDITIONAL INFORMATION

1. Responsibility

- 1.1 The Company, the Directors and the Proposed Directors (whose names appear on page 6) accept responsibility individually and collectively for the information contained in this Document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors, the Proposed Directors and the Company, each of whom has taken all reasonable care to ensure that such is the case, the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information. In connection with this Document, the Placing and/or the Vendor Placing, no person is authorised to give any information or give any representations other than as contained in this Document and, if given or made, such information must not be relied upon as having been so authorised.
- 1.2 The business address of each Director and Proposed Director and their respective functions are set out on page 6.

2. The Group

- 2.1 The Company was incorporated on 19 June 2013 in England with company number 8576358 as a private company limited by shares. The Company was re-registered as a public limited company on 12 August 2013. The Company changed its name to CentralNic Group plc on 12 August 2013 pursuant to a special resolution of the Company.
- 2.2 The registered office of the Company is 35-39 Moorgate, London EC2R 6AR and its telephone number is +44 (0)203 388 0600.
- 2.3 The Company's accounting reference date is 31 December.
- 2.4 The Company's auditors are Crowe Clark Whitehill LLP (registered in England and Wales under number 07372348) of St Bride's House, 10 Salisbury Square, London EC4Y 8EH. The auditors were appointed on 21 June 2013 and are chartered accountants registered with the Institute of Chartered Accountants in England and Wales.
- 2.5 The principal legislation under which the Company was formed and now operates (and under which the Ordinary Shares have been created) is the Act.
- 2.6 The principal place of business of the Company is the United Kingdom.
- 2.7 The Company's website address is: www.centralnic.com.
- 2.8 The ISIN (International Security Identification Number) is GB00BCCW4X83.
- 2.9 The Company is the holding company of the Group and has the following subsidiaries:

<i>Company Name</i>	<i>Place of Incorporation</i>	<i>Percentage of issue share capital or interest held</i>	<i>Principal Activity</i>
CentralNic Limited	England and Wales	100%	Trading company
TLD Registrar Solutions Ltd	England and Wales	100%	Dormant-Registrar

- 2.10 CentralNic has three (3) wholly owned subsidiaries GB.Com Ltd, WHOIS Privacy Ltd and CentralNic USA Ltd. It also has a five per cent. holding in Dotbrand Solutions Middle East and North Africa FZC.

3. Share Capital of the Company

- 3.1 The issued share capital of the Company at the date of this Document and as it is expected to be immediately following Admission is as follows:

	<i>Number of Ordinary Shares prior to Placing and Admission</i>	<i>Number of Ordinary Shares immediately following Placing and Admission</i>	<i>Nominal value of Ordinary Shares immediately following Placing and Admission</i>
Number of Ordinary Shares issued and fully paid up	50,000,000	59,090,909	£59,091

- 3.2 Changes in the share capital of the Company preceding the date of this Document are as follows:
- (a) On incorporation, the Company issued 1 ordinary share of £1.00 to John Swingewood.
 - (b) On 9 August 2013, the Company issued 49,999 ordinary shares of £1.00 each in exchange for the entire issued share capital of CentralNic pursuant to the Share Exchange Agreement (further details of which are set out in paragraph 9.8 of Part VI).
 - (c) On 9 August 2013, the Company sub-divided its 50,000 ordinary shares of £1.00 each into 50,000,000 ordinary shares of £0.001 each pursuant to an ordinary resolution of the Company.
 - (d) On 12 August 2013, the Company was re-registered as a public limited company and the Articles were adopted pursuant to a special resolution of the Company.
- 3.3 The Company has not issued any convertible loan notes.
- 3.4 Save as disclosed in this Document and the Ordinary Shares proposed to be issued pursuant to the Placing:
- (a) no share or loan capital of the Company or any of its subsidiaries has been issued or been agreed to be issued fully or partly paid, either for cash or for consideration other than cash and no issue is now proposed; and
 - (b) neither the Company nor any of its subsidiaries has granted any options, warrants or convertible loan notes over its shares or loan capital which remains outstanding or has agreed, conditionally or unconditionally, to grant any such options, warrants or convertible loan notes.
- 3.5 The Placing Shares will be allotted fully paid in registered form and may be held in either certificated or in uncertificated form. Application will be made to the London Stock Exchange for the Enlarged Share Capital to be admitted to trading on AIM. All the Ordinary Shares (including the Placing Shares) may be transferred into the CREST system for which there will be no charge to stamp duty or SDLT on the transfer (unless made for consideration).
- 3.6 The nominal value of the Placing Shares to be issued under the Placing is £0.001. The issue price of the Placing Shares will be 55 pence which represents a premium of 55,000 per cent. over their nominal value. The difference between the issue price and the nominal value will be credited to the share premium account.
- 3.7 The Placing Shares were created under and are subject to the provisions of the Act and are issued in pound sterling.
- 3.8 The provisions of section 561 of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employee's share scheme as defined in section 1166 of the Act) will apply to the share capital of the Company to the extent not disapplied by a special resolution of the Company.
- 3.9 The Placing Shares will, on issue, rank for all dividends and other distributions (if any) declared or made or paid in respect of Ordinary Shares after the date of issue and will otherwise rank *pari passu* in all

respects with the Existing Ordinary Shares and no Shareholders in the Company enjoy different or enhanced voting rights.

- 3.10 The Company had one ordinary share of £1.00 in issue on incorporation and 50,000,000 Ordinary Shares in issue at the date of this Document. The Company has used 100 per cent. of the current issued share capital for the purchase of assets other than cash since its incorporation pursuant to the acquisition of CentralNic.
- 3.11 Save as disclosed in this Document, there are no Ordinary Shares in the Company which are held by, or on behalf of, the Company and none of the Company's subsidiary undertakings holds any shares in the Company.
- 3.12 Save for the Placing Shares to be issued pursuant to the Placing and the issue of Ordinary Shares to option holders referred to in paragraph 6 of this Part VI and the proposed issue of the Warrants referred to in paragraph 9.3 of this Part VI, there is no present intention to issue any of the authorised but unissued share capital of the Company and there are no agreements or undertakings pursuant to which the Company has agreed to issue Ordinary Shares.
- 3.13 On completion of the Placing the issued share capital of the Company shall be increased by 9,090,909 Ordinary Shares resulting in an immediate dilution of 18.18 per cent. in aggregate excluding the exercise of the Options and Warrants referred to in paragraphs 6 and 9.3 of this Part VI.
- 3.14 The Company will obtain the Shareholder authorities required to allot and issue the Placing Shares pursuant to the Placing and to issue Ordinary Shares to the option holders referred to in paragraph 6 of this Part VI and upon exercise of the Warrant in paragraph 9.3 of this Part VI at a general meeting of the Company's Shareholders to be held on 28 August 2013.

4. Articles of Association

The articles of association of the Company ("**Articles**") were adopted on 9 August 2013 pursuant to a special resolution of the Company.

The Articles include provisions to the following effect:

4.1 Objects

Pursuant to section 31 of the Act, the objects for which the Company is established are unrestricted and the Company has full power and authority to carry out any object not prohibited by law.

4.2 Voting rights

- (a) At general meetings of the Company, on a show of hands, every member present in person has one vote, each authorised person appointed by a corporate member has one vote and every proxy present has one vote, unless he has been appointed by more than one member and has been instructed by one or more of those members to vote for the resolution and by one or more others to vote against it, in which case he has one vote for and one vote against the resolution.
- (b) In the case of a poll at a general meeting of the Company every member has one vote for every share held by him and his voting rights may be exercised by one or more proxies.
- (c) These voting rights are subject to any special rights or restrictions as to entitlement to vote on a particular resolution or at particular meetings imposed by or pursuant to the Articles or attached to any shares. These include, for example, that a person becoming entitled to a share by reason of a transmission event (such as death or bankruptcy) shall not be entitled to vote with respect to those shares before being registered as holder of such shares.

4.3 Allotment of shares

Subject to the Act and any resolution of the members, the board may offer, allot (with or without conferring a right of renunciation), grant options over or otherwise deal with or dispose of any new shares to such persons, at such times and generally on such terms as the board may decide.

4.4 **Share rights**

The share capital of the Company consists of a single class of ordinary shares of £0.001 each. The Ordinary Shares carry full voting rights and rights to dividend and to participate in any return of capital by the Company. They do not confer any rights of redemption.

4.5 **Variation of class rights**

- (a) Whenever the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class may be varied or abrogated in such manner (if any) as may be provided by those rights or (in the absence of any such provision) either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the authority of a special resolution passed at a separate general meeting of the holders of the shares of that class.
- (b) The provisions of the Articles relating to general meetings of the Company apply to every separate general meeting of the holders of any class of shares except that:
 - (i) the necessary quorum (other than at an adjourned meeting) is two persons holding or representing by proxy at least one-third in nominal value of the issued shares of that class;
 - (ii) if any such separate general meeting is adjourned, the quorum at the adjourned meeting shall be those holders who are present in person or by proxy;
 - (iii) every holder of shares of the class shall, on a poll, have one vote in respect of every share of the class held by him; and
 - (iv) any holder of shares of the class in question who is present in person or by proxy and entitled to vote may demand a poll.

4.6 **Power to attach rights and issue redeemable shares**

Subject to the Act and to any rights attached to any existing share or class of shares, shares may be issued with, or have attached to them, such rights as the Company may by ordinary resolution determine, including shares which are redeemable at the option of the Company or the holder.

4.7 **Alteration of capital and pre-emption rights**

The Articles do not impose any conditions governing changes in the capital of the Company which are more stringent than is required by law, or prescribe any rights of pre-emption in relation to offers for subscription of shares in addition to or in substitution for those in the Act.

4.8 **Share certificates**

Every member who opts to hold shares in certificated form shall be entitled, without payment, to receive once certificate for each class of shares held by him. If a member transfers part of the shares represented by a certificate, or elects to hold part in uncertificated form, he shall be entitled, without payment, to receive a new certificate in respect of the balance.

4.9 **Uncertificated shares**

The board may permit shares of any class to be held in uncertificated form, pursuant to and subject to the CREST Regulations.

4.10 **Calls and liens**

- (a) The Company shall have a first and paramount lien on every share which is not fully paid, for all amounts paid (whether or not due) in respect of that share. The Company may sell any share subject to a lien in such manner as the board may decide if an amount in respect of which the lien exists is due and not paid within 14 days of demand.
- (b) The board may make calls on members in respect of any amount unpaid on their shares.

4.11 **Transfers of shares**

- (a) Shares may be held in uncertificated form and uncertificated shares may be transferred in accordance with the rules, procedures and practices of the relevant system and the CREST Regulations. The directors may refuse to register a transfer of any such share where permitted by the CREST Regulations.
- (b) Transfers of shares in certificated form may be effected by an instrument of transfer in any usual form or in any other form approved by the directors. The instrument of transfer shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee.
- (c) The directors may refuse to register the transfer of a share held in certificated form unless the instrument of transfer is:
 - (i) in respect of a share which is fully paid up;
 - (ii) in respect of a share over which the Company has no lien;
 - (iii) in respect of only one class of shares;
 - (iv) in favour of a single transferee or not more than four joint transferees;
 - (v) duly stamped (if required); and
 - (vi) accompanied by the certificate(s) for the shares to which it relates and such other evidence as the directors may reasonably require to prove the title of the transferor to make the transfer.
- (d) A transferor shall remain the holder of the share concerned (whether a certificated share or an uncertificated share) until the name of the transferee is entered in the register of members as the holder of that share.

4.12 **Disclosure of interests in shares**

- (a) If a member or any person appearing to be interested in shares in the Company has been duly served with a notice under section 793 of the Act and is in default in supplying to the Company the information required in respect of the shares to which the notice relates (“default shares”) within 14 days after the service of such notice, (the “direction notice”) the restrictions set out below shall apply.
- (b) The default shares shall not confer on the member concerned any entitlement to attend or vote, either personally or by proxy, at a general meeting or class meeting of the Company.
- (c) Where default shares represent at least 0.25 per cent. of the class of shares concerned, the holder of the default shares shall not be entitled in respect of the default shares:
 - (i) to receive any dividend or other distribution; and/or
 - (ii) to transfer or agree to transfer the default shares unless the transfer is an exempt transfer.

For this purpose, an “exempt transfer” is a transfer by the acceptance of a takeover offer or a transfer on sale of the whole beneficial interest to a *bona fide* unconnected third party (including through a sale through a recognised investment exchange as defined in the FSMA).

- (d) The terms of a direction notice shall cease to have effect seven days following due compliance, to the satisfaction of the directors, with the notice under section 793 of the Act or, if waived in whole or part by the directors, or if the transfer of any default shares is by way of an approved transfer, but only in respect of the default shares which are transferred.

4.13 **Dividends**

- (a) The Ordinary Shares confer no fixed dividend entitlement. The Company may, by ordinary resolution, declare dividends but no such dividend shall exceed the amount recommended by the directors. The directors may from time to time pay such interim dividends as appear justified by the financial position of the Company.

- (b) The directors may deduct from any dividend or other moneys payable to any person or in respect of a share all such sums as may be due from him to the Company in relation to the shares of the Company.
- (c) All unclaimed dividends may be invested or otherwise made use of by the directors for the benefit of the Company until claimed. Any dividend which has remained unclaimed for a period of twelve years after having been declared or become due for payment shall be forfeited and shall revert to the Company.

4.14 **General meetings**

- (a) Annual general meetings of the Company shall be convened in accordance with the Act. The directors may convene other general meetings whenever they think fit, and are required to do so if requisitioned by members in accordance with the Act. If at any time there are not within the United Kingdom sufficient directors to call a general meeting, any director or any two members may convene a general meeting.
- (b) An annual general meeting shall be called by at least 21 clear days' notice. All other general meetings shall be called by at least 14 days' notice. Subject to the Act, a general meeting may be called on shorter notice, if it is so agreed:
 - (i) in the case of an annual general meeting, by all members entitled to attend and vote at that meeting; and
 - (ii) in the case of any other meeting, by a majority of the members having a right to attend and vote at the meeting, being a majority holding together not less than 95 per cent. in nominal value of the shares conferring such right.
- (c) Notice of a general meeting may be given in hard copy form, in electronic form or by means of a website.
- (d) Except as otherwise provided in the Articles, two persons entitled to vote upon the business to be transacted (each being a member or a proxy of a member or a duly authorised representative of a corporation) shall be a quorum at any general meeting of the Company.
- (e) At a general meeting, a resolution put to the vote shall be decided on a show of hands unless a poll is duly demanded before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll.
- (f) The Company shall determine the time, being no more than 48 hours before the time fixed for the meeting, by which a person must be entered on the register of members in order to be entitled to attend or vote at a general meeting.

4.15 **Proxies**

- (a) The appointment of a proxy shall be made in writing and shall be in any usual common form, or such other form as may be approved by the board.
- (b) A proxy need not be a member, and a member may appoint more than one proxy to attend on the same occasion, provided that each such proxy is appointed to exercise the rights attached to a different share or shares held by that member.

4.16 **Suspension of rights**

Unless the board otherwise decides, a member shall not be entitled to attend or vote, either in person or by proxy, at any general meeting of the Company or to exercise any other right as a member in respect of any share held by him unless and until all calls and other sums presently payable by him in respect of that share have been paid.

4.17 **Directors and their remuneration**

- (a) Unless otherwise determined by the Company by ordinary resolution, the number of directors shall not be fewer than two and shall not be subject to any maximum.

- (b) A director is not required to hold any shares in the Company. A director who is not a member of the Company shall nevertheless be entitled to receive notice of and to attend and speak at all general meetings and class meetings of the Company.
- (c) Remuneration paid to the directors (other than executive directors) for their services as officers of the Company shall be such aggregate amount as the directors shall decide, provided that such fees do not exceed the sum of £300,000 per annum or such higher sum as the Company may by ordinary resolution determine. Any such remuneration shall be distinct from any salary, remuneration or other amounts which may be paid to a director pursuant to any other provision of the Articles.
- (d) Any director who performs services which, in the opinion of the directors, go beyond the ordinary duties of a director and not in his capacity as a holder of employment or executive officer may be paid such reasonable special remuneration as the directors or the remuneration committee may determine.
- (e) The Company may also pay or repay to any director all travelling, hotel and other expenses reasonably and properly incurred in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or separate meetings of the holders of any class of shares or debentures in the Company.
- (f) The directors may establish and/or contribute to any pension, retirement or superannuation scheme or fund and may pay or agree to pay pension, retirement, superannuation benefits, annuities and other emoluments to (or to any person in respect of) any person who is or was at the time a director or officer or employee of the Company or any associated company, for his benefit or for the benefit of any member of his family. The directors may also establish and/or contribute to any death and/or disability scheme for the benefit of any person who is or was at the time a director or officer or employee of the Company or any associated company or for the benefit of any member of his family.

4.18 **Retirement and removal of directors**

- (a) The Company may by ordinary resolution appoint any person who is willing to act as a director, either to fill a vacancy or as an additional director, but so that the total number of directors does not exceed any maximum fixed by or in accordance with the Articles.
- (b) The board may appoint any person who is willing to act as a director, either to fill a vacancy or as an additional director, but so that the total number of directors does not exceed any maximum fixed by or in accordance with the Articles.
- (c) Any director appointed by the board shall retire at the next annual general meeting after his appointment and shall be eligible for re-election but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.
- (d) A non-executive director who has held office for nine years or more since his first appointment by general meeting shall retire at each annual general meeting of the Company and shall be eligible for re-election but shall not be taken into account in determining the number of directors who are to retire by rotation at such meeting.
- (e) The arrangements for retirement of directors by rotation are as follows:
 - (i) at any annual general meeting, any director who has not been appointed or re-appointed at either of the two previous annual general meetings of the Company shall retire;
 - (ii) if the number of directors required to retire in accordance with the above paragraph is less than one third of the total number of directors (rounded down to the nearest whole number), one or more additional directors shall be required to retire (being the longest to have held office since their appointment or last re-appointment) such that once third of the directors (rounded down to the nearest whole number) retire at each annual general meeting.
- (f) A director who retires at an annual general meeting may (if willing to act) be re-appointed.

- (g) The Company may, by ordinary resolution of which special notice has been given in accordance with the Act, remove any director from office before his period of office has expired (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company).
- (h) A director shall cease to be a director on the happening of any of the following events:
 - (i) he is disqualified from acting as a director or becomes prohibited by law from acting as a director, or shall cease to be a director by virtue of any provision of the Act or the Articles;
 - (ii) he gives notice of his wish to resign;
 - (iii) he becomes bankrupt or he makes any arrangement or composition with his creditors generally or applies to the court for an interim order under section 253 of the Insolvency Act 1986 in connection with a voluntary arrangement under that act;
 - (iv) by reason of his mental health, an order is made by a court which wholly or partly prevents him from personally exercising any power or right which he would otherwise have;
 - (v) a registered medical professional gives a written opinion to the Company stating that he is physically or mentally incapable of acting as a director and will remain so for more than three months;
 - (vi) he or his alternate (if any) are absent from meetings of the directors for the greater of six consecutive months without the consent of the directors and the directors resolve that his office should be vacated;
 - (vii) he is requested to resign as a director by notice in writing signed by all of his co-directors (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company);
 - (viii) he is convicted of an indictable offence or his conduct is subject to an investigation by an inspector appointed by the Secretary of State or by the Serious Fraud Office and the other directors resolve that it is undesirable in the interests of the Company for him to remain a director; or
 - (ix) notice is given to terminate his employment or engagement with the Company where he is in breach of contract.

4.19 **Proceedings of directors**

- (a) The quorum necessary for the transaction of the business of the directors may be fixed from time to time by the directors and unless so fixed at any other number shall be two.
- (b) Questions arising at any meeting of the directors shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.
- (c) A resolution in writing signed by such number of the directors as are for the time being entitled to vote on that resolution shall be as effective as a resolution duly passed at a meeting of the directors.

4.20 **Alternate directors**

- (a) Any director (other than an alternate director) has the power to appoint as his alternate, to exercise his powers and carry out his responsibilities during his absence (whether for a limited or an unlimited term), either another director or any other person approved for that purpose by a resolution of the directors. The appointment of an alternate director automatically determines: if his appointor terminates the appointment; or on the happening of any event which, if he were a director, would cause him to vacate the office of director; or if his appointor ceases for any reason to be a director otherwise than by retiring and being re-appointed at the same general meeting.
- (b) An alternate director is entitled to receive notice of meetings of the directors and committees of which his appointor is a member and to attend and, in place of his appointor, to vote and be counted for the purpose of a quorum at any such meeting at which his appointor is not personally present and generally to perform all functions as a director of his appointor in his absence.

4.21 **General powers of the board**

Subject to the Act and the Articles and any directions given by special resolution of the Company, the business of the Company shall be managed by the board, which may exercise all of the powers of the Company.

4.22 **Borrowing powers**

The directors may exercise all the powers of the Company to borrow or raise money and mortgage or charge all or any part of its undertaking, property and assets (present and future), and uncalled capital, and subject to the Act, to create and issue debentures, other loan stock and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

4.23 **Interests and conflicts of directors**

- (a) The directors are empowered pursuant to section 175 of the Act to authorise any matter which would or might otherwise constitute a breach of the duty of a director to avoid a situation in which he has an interest that conflicts, or possibly may conflict, with the interests of the Company. Any such authorisation shall be subject to such conditions or limitations as the directors may determine, whether at the time such authorisation is given or subsequently, and may be terminated by the directors at any time. Neither the director in question nor any other interested director shall be counted in the quorum at the meeting at which the matter is considered or vote on any resolution concerning any such authorisation. Under section 175(3) of the Act, no such authorisation is required in relation to a conflict of interest arising in relation to a transaction or arrangement with the Company.
- (b) A director, notwithstanding his office, may be or become a director or other officer of, or hold any place of profit in, or act in a professional capacity for, or otherwise be interested in, any company in which the Company may be interested.
- (c) Where a director has an interest that conflicts, or possibly may conflict, with the interests of the Company or his duties to the Company and the matter constituting such conflict has been authorised by the directors or by the Company or is otherwise permitted by the Articles, subject to the terms on which any authorisation has been given:
 - (i) the director in question need not disclose to or use for the benefit of the Company any information relating to the relevant matter which he obtains or has obtained otherwise than as a director or employee of the Company and in respect of which he owes a duty of confidentiality to a person other than the Company;
 - (ii) the director in question shall not, unless otherwise agreed, be liable to account to the Company for any profit, remuneration or other benefit realised by him as a consequence and no contract, transaction or arrangement relating to the relevant matter shall be liable to be avoided on the grounds of his conflict of interests or duties;
 - (iii) the director in question need not attend meetings of the board relating to the relevant matter.
- (d) Save as provided in the Articles, a director shall not vote (or, if he does, his vote shall not be counted) on any resolution at a meeting of the directors (and he shall not count in the quorum in respect of such resolution) in respect of any contract, arrangement, or transaction in which he has an interest which, together with any interest of a person connected with him (within the meaning of sections 252 and 253 of the Act) is to his knowledge a material interest. This prohibition does not apply in respect of any of the following matters:
 - (i) any contract, arrangement, transaction or proposal in which he is interested by virtue of an interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
 - (ii) the giving of any guarantee, security or indemnity in respect of:
 - (A) money lent or obligations incurred by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings; or

- (B) a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part (either alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (iii) any issue or offer of shares, debentures or other securities of the Company or any of its subsidiary undertakings in respect of which he is or may be entitled to participate in his capacity as a holder of any such securities or as an underwriter or sub-underwriter;
- (iv) any contract, arrangement, transaction or proposal concerning any other company in which he, and any persons connected with him (within the meaning of sections 252 and 253 of the Act), do not to his knowledge hold an interest in shares (within the meaning of sections 820 to 825 of the Act) representing one per cent. or more of any class of the equity share capital of that company or of the voting rights available to members of that company;
- (v) any arrangement for the benefit of employees of the Company or any of its subsidiary undertakings which does not accord to him any privilege or benefit not generally accorded to the employees to whom the arrangement relates; and/or
- (vi) the purchase or maintenance of insurance for the benefit of directors or for the benefit of persons including directors.

4.24 **Winding up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company (and subject to any authority required under the Act):

- (a) divide the assets of the Company between the members (in whole or in part), and determine how that division should be carried out as between the members of different classes of members; or
- (b) vest the whole or any part of the assets in trustees upon trust for the benefit of the members, as he shall think fit.

4.25 **Indemnity and insurance**

- (a) Subject to the Act, but without prejudice to any indemnity to which he may otherwise be entitled, every director or other officer (excluding an auditor) of the Company shall be indemnified out of the assets of the Company against any liabilities incurred by him for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company including where the Company is trustee of an occupational pension fund (provided that no indemnity shall be provided to the extent that it would be void under the Act).
- (b) Subject to the Act, the directors may purchase and maintain insurance at the expense of the Company for the benefit of any person who is or was at any time:
 - (i) a director or other officer or employee of the Company (other than auditor) or any body which is or was the holding company or subsidiary undertaking of the Company, or in which the Company or such holding company or subsidiary undertaking has or had any interest (whether direct or indirect) or with which the Company (or any such holding company or subsidiary undertaking) is or was in any way associated or allied; or
 - (ii) a trustee of any pension fund in which employees of the Company or any other body referred to in the above paragraph is or has been interested; including, without limitation, insurance against any liability incurred by such person in respect of any act or omission in the actual or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the relevant body or fund.

4.26 The provisions of section 561 of the Act (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employee's share scheme as defined in section 1166 of the Act) will apply to the extent not disapplied by a special resolution of the Company.

4.27 There is nothing contained in the Articles which would have an effect of delaying, deferring or preventing a change in control of the Company.

- 4.28 There is nothing contained in the Articles which governs the ownership threshold above which member ownership must be disclosed.
- 4.29 Save as set out above, there are no provisions in the Articles or otherwise which give any person enhanced rights in the Company's profits.
- 4.30 There are no conversion rights attached to any of the shares in the Company pursuant to the Articles or otherwise.

5. Disclosure of interests

5.1 Directors' and other interests

- (a) As at the date of this Document and following the Placing and Admission, the interests of the Directors and Proposed Directors (all of which are beneficial), including persons connected with the Directors and Proposed Directors within the meaning of section 252 of the Act, in the issued share capital of the Company are as follows:

<i>Director</i>	<i>Number of Ordinary Shares at the date of this Document</i>	<i>Percentage of Existing Ordinary Shares at the date of this Document</i>	<i>Number of Ordinary Shares immediately following Admission</i>	<i>Percentage of Enlarged Share Capital immediately following Admission</i>
Don Baladasan	–	–	–	–
Ben Crawford	–	–	–	–
Samuel Dayani	–	–	–	–
Robert Pooke*	20,316,000	40.63	18,838,472	31.88%
John Swingewood	1,184,000	2.37	1,097,891	1.86%
Thomas Rickert	–	–	–	–
Thomas Pridmore	–	–	–	–

At Admission:

*Of these shares, 4,404,545 Ordinary Shares will be non beneficially held and 5,687,891 Ordinary Shares will be held by Jabella Group Limited in which Robert Pooke has a 21.5 per cent. interest.

- (b) Save as disclosed in this paragraph 5, none of the Directors or Proposed 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 paragraph 5, as at the date of this Document, no Director or Proposed Director has any option over any warrant to subscribe for any shares in the Company.
- (d) Save for the Placing Agreement and the Relationship Agreement referred to in paragraphs 9.2 and 9.7 of Part VI of this Document, there are no agreements, arrangements or understandings (including compensation agreements) between any of the Directors, recent Directors, Shareholders or recent Shareholders of the Company connected with or dependent upon Admission or the Placing.
- (e) None of the Directors or Proposed 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.
- (f) Save as disclosed in this Document, none of the Directors or Proposed Directors are or have 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.
- (g) There are no outstanding loans made or guarantees granted or provided by the Company to or for the benefit of any Director or Proposed Director.

- (h) Save as disclosed in this Document, there are no potential conflicts of interest between any duties to the Company of the Directors or Proposed Directors and their private interests or their other duties.

5.2 Major Shareholders

- (a) Including those persons disclosed at paragraph 5.1(a) above, the Company is aware of the following persons who, at 12 August 2013 (being the latest practicable date before publication of this Document) and following completion of the Placing and Admission, have interests in voting rights over three (3) per cent. or more of the issued share capital of the Company:

Shareholder	Number of Ordinary Shares at the date of this Document	Percentage of Existing Ordinary Shares at the date of this Document	Number of Ordinary Shares immediately following Admission	Percentage of Enlarged Share Capital immediately following Admission
Erin*	33,450,000	66.90	31,017,273	52.49
Robert Pooke**	20,316,000	40.63	18,838,472	31.88
Jabella Group Limited***	6,134,000	12.27	5,687,891	9.63
Natwest FIS Nominee Limited****	3,699,000	7.40	3,699,000	6.26

At Admission:

*The beneficial holder of Erin and Natwest FIS Nominee Limited is the father of Samuel Dayani, a director of the Company. Of these shares 5,687,891 Ordinary Shares will be held by Jabella Group Limited in which Erin has a 53.80 per cent. interest

**Of these shares, 4,404,545 Ordinary Shares will be non beneficially held. 5,687,891 Ordinary Shares will be held by Jabella Group Limited in which Robert Pooke has a 21.5 per cent. interest.

***Jabella Group Limited is a BVI company owned *inter alia*, by Erin, Natwest FIS Nominee Limited, John Swingewood and Robert Pooke.

****6,134,000 Ordinary Shares are held by Jabella Group Limited in which Natwest FIS Nominee Limited has a 8.40 per cent. interest.

- (b) Save as disclosed above, the Directors or Proposed Directors are not aware of any person or persons who, directly or indirectly, have an interest in the Company, which represents three (3) per cent. or more of its issued share capital or voting rights who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company.
- (c) Clevebeam Limited has taken out loans of circa £500,000 in principal amount, secured by charges in favour of NatWest FIS Nominees Limited who made loans to them. These loans were secured by charges over shares in CentralNic. The holders of the charges consented to the acquisition of CentralNic by the Company. The beneficial owner of Clevebeam Limited is the father of Samuel Duyani.
- (d) Erin has granted charges over Ordinary Shares in respect of loans of circa £800,000 in principal amount. The holders of the charges consented to the acquisition of CentralNic by the Company. It is the intention to repay the loans secured by the charges from the proceeds of the Vendor Placing immediately following Admission and the charges will then be released.
- (e) Save as disclosed in this paragraph 5, the Company and the Directors and Proposed Directors are not aware of any arrangements, the operation of which may, at a subsequent date result in a change of control of the Company.

5.3 Neither the Directors nor any substantial Shareholders have different voting rights to other holders of the share capital of the Company.

6. Share incentive arrangements

The Directors and Proposed Directors believe that it is important to properly motivate and reward key senior employees and executives and to do so in a manner that aligns their interests with that of the Shareholders.

The Directors and Proposed Directors also recognise the importance of ensuring that all employees are well motivated and identify closely with the profitability of the Company.

CentralNic established an unapproved share option scheme under which certain key executives and employees were invited to participate. CentralNic also granted unapproved options (the terms of which broadly mirror that of the unapproved share option scheme) and options under an Enterprise Management Incentive Scheme (EMI) under separate EMI option agreements to certain qualifying key executives and employees. These options will be rolled over to the Company.

In addition, the Company intends to establish, on or shortly following Admission, an unapproved share option scheme under which certain key executives and employees will be invited to participate at the discretion of the Board. The Company also intends to grant, on or shortly following Admission, unapproved options to certain non-executive directors and consultants under separate unapproved option agreements (the terms of which will broadly mirror that of the unapproved share option scheme) and to also grant options under the Enterprise Management Incentive Scheme (EMI) under separate EMI option agreements to certain qualifying key executives and employees.

These share incentive arrangements are designed to support the strategy of generating significant sustainable value for shareholders by linking the rewards to executives with the value created for Shareholders and thereby aligning the interests of key executives with those of Shareholders.

Shares acquired or options granted under any share incentive arrangements operated by the Company will be limited in total to 10 per cent. of the Company's issued share capital from time to time.

The table below shows the share options issued to Directors and Proposed Directors on Admission:

<i>Director</i>	<i>Number of Options in issue on Admission</i>	<i>Exercise Price (per Ordinary Share)</i>
Ben Crawford	1,316,000	10 pence
Ben Crawford	850,000	55 pence
Don Baladasan	125,000	10 pence
Thomas Rickert	88,000	55 pence
Thomas Pridmore	88,000	55 pence

In addition, a further 1,109,000 options over Ordinary Shares are in issue.

The new share incentive arrangements intended to be established by the Company are summarised below. It is intended that the terms of the share incentive arrangements will be substantially in the form set out below but this is subject to, *inter alia*, any amendments required to comply with the relevant legislation or as required by HM Revenue & Customs.

Options under the unapproved share option scheme vest in 12 equal instalments following Admission and are not exercisable earlier than the third anniversary of the date of grant. EMI options will vest in 12 equal quarterly instalments following Admission and will be exercisable between the third and tenth anniversaries of their date of grant.

The following share limits and arrangements in relation to the allotment and transfer of shares are applicable to all the proposed share incentive arrangements.

Share limits

There will be an overall limit on the number of new Ordinary Shares which may be subscribed under any of the schemes. In any ten year period not more than 10 per cent. of the issued share capital of the Company from time to time may be issued or issuable pursuant to options acquired under the unapproved share option scheme, EMI and any other employees' share scheme adopted by the Company.

Allotment and transfer of Shares

Options granted under the unapproved share option scheme and the separate unapproved or EMI options may be satisfied by a new issue of Ordinary Shares, the transfer of Ordinary Shares from treasury or by buying Ordinary Shares in the market.

Ordinary Shares allotted or transferred under the unapproved share option scheme or the separate unapproved or EMI options will rank equally with all other Ordinary Shares of the Company for the time being in issue (except for rights attaching to such shares by reference to a record date prior to the date of such allotment or transfer).

The Company will apply for the listing of any new Ordinary Shares allotted under the approved share option scheme or pursuant to the exercise of the separate unapproved or EMI scheme options.

6.1. Unapproved share option scheme (the “Unapproved Scheme”)

(a) Operation of the Unapproved Scheme

The Board of the Company (or duly authorised committee thereof) will be responsible for the operation of the Unapproved Scheme.

(b) Eligibility

The Board will use its discretion in nominating participants for the Unapproved Scheme. Awards will generally be restricted to key senior employees of the Company.

(c) Grant of Options

Options may be granted within the period of 42 days following the date of adoption of the Unapproved Scheme. Thereafter, options may normally only be acquired in the 42 days following the announcement by the Company of its results for any period, in the 14 days immediately after the person to whom the option is granted first becomes an employee or director of any group company or where there are circumstances considered by the Board to be exceptional.

No options may be granted in close periods or more than ten years after the adoption of the Unapproved Scheme by the Company.

Options are not transferable or assignable (other than to the personal representatives of the option holder on death).

No consideration will be payable for the grant of options under the Unapproved Scheme.

(d) Exercise Price

The Board may determine the exercise price of the options subject to the exercise price not being less than the market value at the date of grant, or, if greater, the nominal value.

(e) Exercise of Options

To reflect existing commitments, the options granted on the establishment of the scheme will vest in 12 equal instalments at 3 month intervals following Admission (so that all the options will have fully vested 3 years after the date of grant).

Subject to this, options will not generally be exercisable earlier than the third anniversary of the date of grant (or such other time as the Board may specify).

Exercise of options granted under the Unapproved Scheme may also generally be subject to achievement of performance conditions and, subject as described below, to remaining in employment with the Company.

The Board has not yet determined the performance conditions to be applied. These will be set by the Board once the Unapproved Scheme has been adopted.

The performance conditions applying to any option may be varied in certain circumstances so as to achieve their original purpose but not so as to make their achievement materially more or less difficult to satisfy.

Option holders will normally have up to seven years (or such shorter period as may be specified) to exercise options after they have vested after which they will lapse and cease to be exercisable (i.e. options shall be exercisable after, and shall lapse on, the tenth anniversary of the date of grant).

(f) Leaving employment

If an option holder leaves because of death, illness, injury, disability, redundancy, retirement or dismissal other than for good cause (as determined by the Board) he will be classified as a “Good Leaver”.

Where an option holder is a Good Leaver, the option holder’s options may at the absolute discretion of the Board vest and become exercisable, in whole or in part, within such period as the Board permit taking into account any performance conditions that have been met at the time employment ceases and other factors such as the option holder’s conduct.

In the event of an option holder’s death in service, the options may to the extent vested at the date of death be exercised by their personal representatives within 12 months following the date of death.

If an option holder ceases employment for reasons other than as a Good Leaver, the option holder’s options will immediately lapse.

(g) Change of control

In the event of a takeover of the Company it is intended that the options will normally vest and be exercisable.

In the event of a reconstruction or winding up of the Company it is intended that the options will only be exercisable to the extent vested at that time.

(h) Variation of capital

On a variation of the capital of the Company, or in the event of a demerger, payment of a special dividend, reorganisation, reconstruction of the Company or similar event, the Board may make such adjustment to the options as it considers reasonable.

(i) Alterations to the Unapproved Scheme

The Board may, at any time, amend the Unapproved Scheme in any respect provided that the prior approval of the Company in general meeting is obtained for amendments to the provisions of the Unapproved Scheme relating to the overall limits on the issue of new shares and eligibility. Shareholder approval is not, however, required for minor amendments to benefit the administration of the Unapproved Scheme, to take account of changes in legislation or to obtain or maintain favourable taxation or regulatory treatment for option holders or group companies.

6.2. Enterprise Management Incentive Scheme Options (“EMI Options”)

(a) Exercise Price

The Board may determine the exercise price of the EMI Options subject to the exercise price not being less than the market value at the date of grant, or if greater, the nominal value.

(b) Performance conditions

The EMI Options may generally be subject to achievement of performance conditions set at the time of grant.

(c) Exercise of Options

To reflect existing commitments, EMI Options granted on or shortly following Admission, will vest in 12 equal instalments at 3 month intervals following Admission (so that all the EMI Options will have fully vested 3 years after the date of grant).

Subject to this, the EMI Options will, subject to any applicable performance conditions having been satisfied or waived, normally only be exercisable between the third and tenth anniversaries of the date of grant.

No EMI Options shall be capable of exercise, and shall lapse on, the tenth anniversary of the date of grant.

(d) Leaving employment

If an EMI Option holder leaves because of death, illness, injury, disability, redundancy, retirement or dismissal other than for good cause (as determined by the Board) he will be classed as a "Good Leaver".

Where an EMI Option holder is a Good Leaver, the option holder's options may at the absolute discretion of the Board vest and become exercisable, in whole or in part, within such period as the Board permit taking into account any performance conditions that have been met at the time employment ceases and other factors such as the option holder's conduct.

In the event of an EMI Option holder's death in service, the options may, to the extent vested at the date of death, be exercised by their personal representatives within 12 months following the date of death.

If an EMI Option holder ceases employment for reasons other than as a Good Leaver, the option holder's options will immediately lapse.

(e) Change of control

In the event of a takeover of the Company it is intended that the EMI Options will normally vest and be exercisable.

In the event of a reconstruction or winding up of the Company it is intended that the EMI Options will only be exercisable to the extent vested at that time.

(f) Variation of capital

On a variation of the capital of the Company, or in the event of a demerger, payment or a special dividend, reorganisation, reconstruction of the Company or similar event, the Board may make such adjustment to the EMI Options as it considers reasonable.

(g) Alterations to the EMI Options

The Board may, at any time, amend the EMI Options in any respect provided that the prior approval of the Company in general meeting is obtained for amendments to the provisions of the EMI Options relating to the overall limits on the issue of new shares and eligibility. Shareholder approval is not, however, required for minor amendments to benefit the administration of the EMI Options, to take account of changes in legislation or to obtain or maintain favourable taxation or regulatory treatment for option holders or group companies.

7. Directors' service agreements and terms of appointment

7.1 The Company has entered into the following service agreements and letters of appointment:

- (a) On 12 August 2013, Swingewood Consultancy Ltd entered into a letter of appointment with the Company whereby it has agreed to make John Swingewood available to serve the Company as non-executive Chairman on a non-fixed term basis but with the intention that the appointment shall be for an initial term of 3 years to be confirmed at the Company's next annual general meeting, the terms of which are conditional on Admission. The Company has agreed to pay Swingewood Consulting Ltd a fee of £40,000 per annum. The appointment is terminable on three (3) months' notice given by either party.
- (b) On 12 August 2013, Ben Crawford entered into a consultancy agreement with the Company, the terms of which are conditional on Admission. Under the terms of the agreement, Ben has agreed to serve the Company as Chief Executive Officer and shall provide other services consistent with the services of Chief Executive Officer including complying at all times with his duties as a Director of the Company. The Company has agreed to pay Ben a fee at a gross rate of £94,000 per annum for providing services in accordance with the agreement. In consideration for Ben providing services as a Director, the Company has agreed to pay Ben a fee of £6,000

per annum. In addition, Ben is entitled to a fixed annual bonus of £25,000 and is also eligible for a performance bonus based on £75,000 per annum for on-target performance. The agreement is terminable on twelve (12) months' notice given by either party and contains post termination restrictions, which Ben will be subject to for a period of six (6) month's following termination.

- (c) On 12 August 2013, Mataxis Limited entered into a consultancy agreement with the Company, the terms of which are conditional on Admission. Under the terms of the agreement, Mataxis Limited has agreed to make Don Baladasan available to serve the Company as Chief Financial Officer and to provide other services consistent with the services of Chief Financial Officer. The Company has agreed to pay Mataxis Limited a fee at a gross rate of £34,000 per annum for providing services in accordance with the agreement. Pursuant to the terms of the agreement, Mataxis Limited has given certain indemnities in favour of the Company. The agreement is terminable on three (3) months' notice given by either party. In addition, on 12 August 2013, Donald Baladasan entered into a letter of appointment with the Company on a non-fixed term basis but with the intention that the appointment shall be for an initial term of 3 years to be confirmed at the Company's next annual general meeting, the terms of which are conditional on Admission. Don has agreed to act as an executive Director of the Company for a fee of £6,000 per annum. The appointment is terminable on three (3) months' notice given by either party.
- (d) On 12 August 2013, Robert Pooke entered into a consultancy agreement with the Company, the terms of which are conditional on Admission. Under the terms of the agreement, Robert has agreed to serve the Company as Executive Director and shall provide other services consistent with the services of executive Director including complying at all times with his duties as a Director the Company. The Company has agreed to pay Robert a fee at a gross rate of £54,000 per annum for providing services in accordance with the agreement. In consideration for Robert providing services as a Director, the Company has agreed to pay Robert a fee of £6,000 per annum. Pursuant to the terms of the agreement, Robert, as a self-employed consultant, has given certain indemnities in favour of the Company. The agreement is terminable on twelve (12) month's notice given by either party and contains post termination restrictions, which Robert will be subject to for a period of six (6) month's following termination.
- (e) On 12 August 2013, Samuel Dayani entered into a letter of appointment with the Company on a non-fixed term basis but with the intention that the appointment shall be for an initial term of 3 years to be confirmed at the Company's next annual general meeting, the terms of which are conditional on Admission. Samuel Dayani has agreed to act as a non-executive Director of the Company for a fee of £25,000 per annum. In addition, Samuel Dayani is to receive a one-off payment of £35,000. The appointment is terminable on three (3) months' notice given by either party.
- (f) On 12 August 2013, Thomas Rickert entered into a letter of appointment with the Company on a non-fixed term basis but with the intention that the appointment shall be for an initial term of 3 years to be confirmed at the Company's next annual general meeting, the terms of which are conditional on Admission. Thomas Rickert has agreed to act as a non-executive Director of the Company for a fee of £25,000 per annum. In addition, Thomas will be granted options over 88,000 Ordinary Shares. The appointment is terminable on three (3) months' notice given by either party.
- (g) On 12 August 2013, Thomas Pridmore entered into a letter of appointment with the Company on a non-fixed term basis but with the intention that the appointment shall be for an initial term of 3 years to be confirmed at the Company's next annual general meeting, the terms of which are conditional on Admission. Thomas Pridmore has agreed to act as a non-executive Director of the Company for a fee of £25,000 per annum. In addition, Thomas will be granted options over 88,000 Ordinary Shares. The appointment is terminable on three (3) months' notice given by either party.

7.2 Save as set out above, there are no contracts providing for benefits upon termination of employment of any Director.

8. Additional information on the Directors and Proposed Directors

8.1 The Directors and Proposed Directors currently hold or have held within the five (5) years prior to the publication of this Document the following directorships and are partners or have been partners within the five (5) years prior to the publication of this Document the following partnerships:

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Former directorships and partnerships held in the last five (5) years</i>
Don Baladasan	(1) Maxis Ltd; (2) TLD Registrar Solutions Ltd; (3) GB.COM Ltd; (4) Advanced Oncotherapy Plc; (5) Carecapital Limited; (6) WHOIS Privacy Ltd; (7) The Healthcare Property Company Limited; (8) Oncotherapy Resources Limited; (9) Totally Plc; (10) Mobi Capital Ltd; (11) Opes Industries Limited	None
Ben Crawford	(1) CentralNic Limited; (2) Ben Crawford Consulting FZE; (3) Dotbrand Solutions Middle East & North Africa FZC (4) CentralNic USA Ltd	None
Samuel Dayani	(1) CentralNic Limited; (2) Dudley Overseas Limited; (3) Laniado Hospital UK; (4) Manusell Developments Limited; (5) Opes Industries Limited	(1) PureCycle Limited; (2) Angel Court Developments Limited
Robert Pooke	(1) Remortgages.com Limited; (2) CentralNic Limited	(1) Securance Limited; (2) Payline Consulting Limited; (3) Portal Corporation UK LLP;
John Swingewood	(1) Inside Track 3 LLP; (2) Eclipse Film Partners No. 16 LLP; (3) Blue Aspire LLP; (4) Eco City Vehicles Plc; (5) Swingewood Consulting Ltd; (6) Charlotte Street Interactive Limited; (7) Big Art Productions Limited; (8) Emizon Group Limited; (9) Emizon International Ltd	(1) Ingenious Film Partners LLP; (2) Mobile Tornado Group Plc
Thomas Rickert	(1) Schollmeyer & Rechtsanwalts-gesellschaft mbH	None

<i>Director</i>	<i>Current directorships and partnerships</i>	<i>Former directorships and partnerships held in the last five (5) years</i>
Thomas Pridmore	(1) Columbus Satellite Ventures Ltd; (2) Development Capital Management Ltd; (3) Development Capital Management (Jersey) Ltd; (4) Opes Industries Ltd; (5) Pro-dome Ltd; (6) WJP Consulting Ltd; (7) Xenia Management Ltd	(1) Belvedere Schools Ltd; (2) Evolution Associates Ltd; (3) Horizon Estates (Islington) Ltd; (4) Redtree Securities Ltd; (5) Spindale Ltd; (6) Vado UK Managers Ltd; (7) West Africa Energy Corporation Ltd

8.2 On 4 December 2001, Samuel Dayani was appointed as a director of Airtime Leasing Limited. On 12 May 2005 Airtime Leasing Limited entered a creditors voluntary liquidation and was dissolved on 7 February 2007. Samuel Dayani has not been the subject of public criticism regarding the creditors voluntary liquidation.

8.3 Save as set out in this Document, no Director or Proposed Director has:

- (a) any unspent convictions in relation to indictable offences;
- (b) had any bankruptcy order made against him or entered into any individual voluntary arrangements;
- (c) been a director or a company which has been placed into receivership, creditors' voluntary liquidation, compulsory liquidation or administration, or been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors, whilst he was a director of that company at that time or within the twelve (12) months preceding such events;
- (d) been a partner in any partnership which has been placed into compulsory liquidation or administration or been subject of a partnership voluntary arrangement whilst he was a partner in that partnership at that time or within the twelve (12) months preceding such events;
- (e) owned, or been a partner in a partnership which owned, any asset which, while he owned that asset, or while he was a partner at that time or within the twelve (12) months preceding such events;
- (f) been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or
- (g) been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a company.

9. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the two (2) years immediately preceding the date of this Document and are, or may be material:

9.1 Zeus Capital Nomad and Broker Agreement

An agreement dated 12 August 2013 between the Company, the Directors, the Proposed Directors and Zeus Capital pursuant to which Zeus Capital was appointed to act as nominated adviser and broker to the Company for the purposes of the Company's Admission. The Company agreed to pay Zeus Capital a fee of £50,000 per annum, quarterly in advance by standing order, for its services as nominated adviser. The agreement contains certain undertakings and indemnities given by the Company in respect of, *inter alia*, compliance with all applicable laws and regulations. The agreement runs for a period of one year and thereafter may be terminated by either the Company or Zeus Capital on not less than three (3) months' notice.

9.2 **Placing Agreement**

On 12 August 2013, the Company, the Directors, the Proposed Directors and Zeus Capital entered into the Placing Agreement. Under the terms of the Placing Agreement, the Company appointed Zeus Capital as its agent to procure subscribers for the Placing Shares at the Placing Price and Zeus Capital agreed to use its reasonable endeavours to procure such subscribers. The obligations of Zeus Capital are conditional, *inter alia*, on Admission occurring on or before 2 September 2013 or such later date (being no later than 6 September 2013) as the Company and Zeus Capital may agree. Subject to Admission, the Company shall pay to Zeus Capital a corporate finance fee of £125,000 and a commission of 4 per cent. of the gross value of funds raised pursuant to the Placing together with the Warrant described in paragraph 9.3 below. The Placing Agreement contains certain warranties given by the Company, the Directors and the Proposed Directors in favour of Zeus Capital (including warranties relating to the accuracy of the information in this Document and the Company's incorporation and capacity). The liability of the Company, the Directors and the Proposed Directors is limited. The Placing Agreement also contains an indemnity given by the Company in favour of Zeus Capital.

9.3 **Warrant Instrument**

On 12 August 2013, the Company executed a warrant instrument to create and issue warrants to Zeus Capital to subscribe for an aggregate of 1,772,727 Ordinary Shares. The Warrants will expire six (6) years after Admission and will be exercisable after the first anniversary of Admission at the Placing Price. The Ordinary Shares to be allotted and issued on the exercise of any or all of the Warrants will rank for all dividends and other distributions declared after the date of the allotment of such shares but not before such date and otherwise *pari passu* in all respects with the Ordinary Shares in issue on the date of such exercise allotment. The warrant agreement contains provisions for appropriate adjustment of the number of Ordinary Shares and the subscription price upon a capitalisation of reserves, on sub-division or consolidation or reduction of the share capital of the Company.

9.4 **Orderly market agreements**

On 12 August 2013, the Company, Zeus Capital and each of the Locked-In Parties entered into orderly market agreements. Under the terms of these agreements, each of the Locked-In Parties has, save in limited circumstances, undertaken not to dispose of any Ordinary Shares or any interest in Ordinary Shares, for a period of twelve (12) months commencing on Admission, without the prior written consent of Zeus Capital.

9.5 **Company Registrars Agreement**

On 12 August 2013, the Company and Capita Registrars Ltd ("**Capita**") entered into a registrar's agreement ("**Registrar's Agreement**"), pursuant to which the Company appointed Capita to act as its registrar and to provide the services set out in the Registrar's Agreement. The Company has agreed to pay Capita a minimum annual fee of £3,500 for creation and maintenance of the share register and £1,350 per annum and £500 per annum respectively for providing remote online access to the share register and a shareholder web portal. The agreement contains warranties and indemnities given by the Company in favour of Capita and warranties given by Capita in favour of the Company. Capita's liability is capped at the lower of £500,000 or an amount equal to five (5) times the annual fee payable for its services under the Registrar's Agreement. Subject to earlier termination, the Registrar's Agreement is for an initial term of three (3) years and thereafter shall automatically renew for successive periods of twelve (12) months until terminated by either party on three (3) months' written notice.

9.6 **Receiving Agent Agreement**

On 12 August 2013, the Company and Capita entered into an agreement pursuant to which Capita agreed to act as receiving agent to the Company in connection with the Placing. The agreement contains warranties and indemnities given by the Company in favour of Capita and warranties given by Capita in favour of the Company. Capita's liability is capped at the lower of £250,000 or an amount equal to five (5) times the fee payable for its services under the agreement. The agreement will terminate on completion of the services.

9.7 **Relationship Agreement**

On 12 August 2013, the Company, Zeus Capital and Erin entered into a relationship agreement pursuant to which Erin has undertaken, *inter alia*, that it will not exercise its voting rights or other powers of control to influence the Company in a way that is in the interests of Erin. The relationship agreement will remain in place whilst Erin is interested in Ordinary Shares representing 30 per cent. or more of the issued share capital of the Company.

9.8 **Share Exchange Agreement**

On 9 August 2013, the Company entered into an agreement whereby it acquired the entire issued share capital of CentralNic. The consideration for the sale and purchase of the shares was the issue and allotment of the sellers of 49,999 ordinary shares of £1.00 each in the capital of the Company *pro rata* to their shareholdings in CentralNic. The agreement contained certain warranties and indemnities from the sellers in favour of the Company.

9.9 **Share Purchase Agreement**

On 9 August 2013, the Company entered into an agreement with Don Baladasan pursuant to which it acquired the entire issued share capital of TLD Registrar Solutions Limited. The consideration payable was £1.00. The agreement contained warranties and an indemnity from the seller in favour of the Company.

9.10 **GB.COM Acquisition Agreement**

On 17 August 2011, CentralNic entered into a share purchase agreement whereby it acquired the entire issued capital of GB.COM Ltd. The consideration for the acquisition was £300,000 in cash payable in instalments over three years from the date of agreement. The agreement contains warranties given by CentralNic in favour of the seller.

10. **Related party transactions**

10.1 On 9 August 2013, the Company acquired the entire issued share capital of CentralNic. Due to the fact that, *inter alia*, Robert Pooke and John Swingewood are Directors of the Company the transaction is a related party transaction (in accordance with the Standards adopted according to Regulation (EC) No 1606/2002). Further details of the terms of transaction are set out in paragraph 9.8 of Part VI.

10.2 On 9 August 2013, the Company acquired the entire issued share capital of TLD Registrar Solutions Limited. Due to the fact that Don Baladasan is a Director of the Company, this transaction is a related party transaction (in accordance with the Standards adopted according to Regulation (EC) No 1606/2002). Further details of the terms of transaction are set out in paragraph 9.9 of Part VI.

10.3 Save as disclosed in this Document, there have been no related party transactions of the kind set out in the Standards adopted according to the Regulation (EC) No. 1606/2002 that the Company has entered into since its incorporation on 19 June 2013.

11. **Litigation**

The Group is not, nor has at any time in the twelve (12) months immediately preceding the date of this Document, been engaged in any governmental, legal or arbitration proceedings and the Directors are not aware of any governmental, legal or arbitration proceedings pending or threatened by or against the Group, nor of any such proceedings having been pending or threatened at any time in the twelve (12) months preceding the date of this Document, in each case which may have, or have had in the twelve (12) months preceding the date of this Document, a significant effect on the Group's financial position or profitability.

12. **Working capital**

The Directors and Proposed Directors are of the opinion that, having made due and careful enquiry, the working capital available to the Company and the Group, taking into account the estimated net proceeds of the Placing, will be sufficient for its present requirements, that is for at least twelve (12) months from the date of Admission.

13. United Kingdom taxation

13.1 General

- (a) The following paragraphs are intended as a general guide only and summarise advice received by the Directors and Proposed Directors about the UK tax position of Shareholders who are resident (and in the case of individuals ordinarily resident) in the UK, holding shares as investments and not as securities to be realised in the course of a trade. The implications for Shareholders who acquire any shares or rights over shares in connection with an employment contract have not been considered. The paragraphs below are based on current UK legislation and HM Revenue & Customs practice. It should be noted that although a number of UK tax treatments referred to below refer to unquoted shares, shares on AIM are generally treated as unquoted for these purposes.
- (b) Any person who is in any doubt about their tax position or who is subject to taxation in a jurisdiction other than the UK should consult their own professional adviser.
- (c) The information in these paragraphs is intended as a general summary of the UK tax position and, should not be construed as constituting advice.

13.2 Taxation of dividends

- (a) Any UK resident and ordinary resident Shareholder who receives a dividend paid by the Company will be liable to UK income tax on the gross amount of any such dividend. Dividend income from the Company will be treated as forming the highest part of a Shareholder's income. The income tax rates are 10 per cent., 32.5 per cent. or 37.5 per cent. depending on the taxable income of the individual, but a tax credit of 10 per cent. of the dividend is to arise, the effect of which is to reduce the effective tax rates to 0 per cent., 25 per cent. and approximately 30.6 per cent. respectively.
- (b) UK resident shareholders who do not pay income tax or whose liability to income tax on the dividend and related tax credit is less than the tax credit, including pension funds, charities and certain individuals are not generally entitled to claim repayment of any part of the tax credit associated with the dividend from HM Revenue & Customs.
- (c) A UK-tax resident corporate Shareholder of non-redeemable Ordinary Shares in the Company that receives a dividend paid by the Company will not be subject to tax in respect of that dividend subject to certain exceptions.
- (d) Trustees of discretionary trusts receiving dividends from shares are also liable to account for income tax at the dividend trust rate, currently 37.5 per cent. (27.5 per cent. after tax credit on income falling outside the standard rate).
- (e) Whether a shareholder who is not resident in the UK for tax purposes is entitled to a tax credit in respect of dividends paid by the Company and to claim payment of any part of the tax credit will depend, in general, on the provisions of any double taxation convention which exists between the shareholder's country of residence and the UK. A non-UK resident shareholder may also be subject to foreign taxation on dividend income.
- (f) Persons who are not resident in the UK should consult their own tax advisers on the possible application of such provisions or what relief or credit may be claimed in the jurisdiction in which they are resident.

13.3 Taxation of chargeable gains

- (a) For the purpose of UK tax on chargeable gains, the issue of Ordinary Shares pursuant to the Placing will be regarded as an acquisition of a new holding in the share capital of the Company.
- (b) The Ordinary Shares so allotted will, for the purpose of tax on chargeable gains, be treated as acquired on the date of allotment. The amount paid for the Ordinary Shares will usually constitute the base cost of a shareholder's holding.

- (c) If a Shareholder disposes of all or some of his or her Ordinary Shares, a liability to tax on chargeable gains may, depending on their circumstances and subject to any available exemptions or reliefs, arise.
- (d) A UK resident, ordinarily resident and domiciled individual Shareholder who disposes (or is deemed to dispose) of all or any of their shares may be liable to capital gains tax in relation thereto at rates up to 28 per cent., subject to any available exemptions or reliefs. In addition, an individual UK Shareholder who ceases to be resident or ordinarily resident in the UK for a period of less than five complete tax years and who disposes of the shares held prior to departure during that period of temporary non residence may, under anti-avoidance legislation, be liable to capital gains tax on his or her return to the UK.
- (e) A UK resident corporate Shareholder disposing of its shares in the Company may be liable to corporation tax on chargeable gains arising on the disposal at the corporation tax rate applicable to its taxable profits (currently 20 to 23 per cent.).
- (f) In computing the chargeable gain liable to corporation tax the corporate Shareholder is entitled to deduct from the disposal proceeds the cost to it of the shares together with incidental costs of acquisition, as increased by an indexation allowance to adjust for inflation, and disposal costs.
- (g) The UK operates a substantial shareholding exemption regime which may apply to the disposal of shares in the Company subject to certain conditions being met.

13.4 **Inheritance tax (“IHT”)**

- (a) Individuals and trustees subject to IHT in relation to a shareholding in the Company may be entitled to business property relief of up to 100 per cent. after a holdings period of two (2) years providing that all the relevant conditions for the relief are satisfied at the appropriate time.
- (b) You should consult your taxation adviser if you are concerned with the potential Inheritance Tax implications of your shares in the Company.

13.5 **Stamp Duty and Stamp Duty Reserve Tax**

- (a) No stamp duty or stamp duty reserve tax will generally be payable on the issue of new Ordinary Shares.
- (b) If you are in any doubt as to your tax position, or are subject to tax in a jurisdiction other than in the UK, you should consult your professional adviser immediately.

14. **General**

- 14.1 The gross proceeds of the Placing receivable by the Company are expected to amount to approximately £5 million. Total costs and expenses payable by the Company in connection with the Placing and Admission (including professional fees, commissions, printing costs and the Registrar’s fees) are estimated to amount to approximately £4.4 million (excluding VAT).
- 14.2 The Placing Price is £0.55 per Ordinary Share. The Ordinary Shares are in registered form. The register of members for the Company will be maintained by the Company’s Registrars.
- 14.3 The Group consolidated historical financial information relating to the Group set out in Part III of this Document does not comprise statutory accounts within the meaning of the Act.
- 14.4 CCW has given and not withdrawn its written consent to the inclusion of its reports in Parts III-V of this Document and the references to its name in the form and context in which they are included.
- 14.5 Zeus Capital, whose registered office is at 3 Ralli Courts, West Riverside, Manchester M3 5FT and which is authorised and regulated by the FCA, has given and not withdrawn its written consent to the inclusion in this Document to the references to its name in the form and context in which they are included.

- 14.6 Save as disclosed in this Document, there has been no significant change in the trading or financial position of the Group since 31 December 2012, the date to which the Group's consolidated historical financial information was prepared.
- 14.7 As at the date of the Document, the Group employed 13 employees.
- 14.8 Save as set out in this Document, no person (other than a professional adviser referred to in this Document or trade suppliers) has:
- (a) received directly or indirectly, from the Company within the twelve (12) months preceding the Company's application for Admission; or
 - (b) entered into contractual arrangements (not otherwise disclosed in this Document) to receive directly or indirectly, from the Company on or after Admission, any of the following:
 - (i) fees totalling £10,000 or more;
 - (ii) securities in the Company within a value of £10,000 or more calculated by reference to the issue price; or
 - (iii) any other benefit with a value of £10,000 or more at the date of Admission.
- 14.9 Save as disclosed in this Document, there are no investments in progress of the Company, which are or may be significant, nor, save as disclosed in this Document, has the Company made any firm commitments for future investments.
- 14.10 The principal investments made by the Company since its incorporation are the acquisitions of CentralNic and TLD Register Solutions Limited, further details of which are set out in paragraph 9.8 and 9.9 of this Part VI.
- 14.11 Save as disclosed in this Document, the Directors are not aware of any exceptional factors, which have influenced the Company's recent activities.
- 14.12 Other than the current application for Admission, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has an application for such admission been made or refused nor are there intended to be any other arrangements for dealings in the Ordinary Shares.
- 14.13 No public takeover bids have been made by third parties in respect of the Company's issued share capital since its incorporation until the date of this Document.
- 14.14 The Directors are not aware of any environmental issues they may affect the Company's utilisation of its tangible fixed assets.
- 14.15 Save as disclosed in this Document, the Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Group's prospects for the current financial year.
- 14.16 Save as set out in this Document, the Group is not dependant on patents or other intellectual property rights licences or particular contracts which are or may be of fundamental importance to the Group's business.

15. Mandatory Bids, Squeeze Out and Sell Out Rules relating to Ordinary Shares

15.1 *Mandatory bid*

The City Code on Takeovers and Mergers ("**Takeover Code**") applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (and, depending on the circumstances, its concert parties) would be required, except with the consent of the Panel on Takeovers and Mergers, to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquirer or its concert parties during the previous twelve (12) months. This requirement would also be triggered by an acquisition of shares by a person holding (together with its

concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

15.2 **Squeeze out**

Under the Act, if an offeror were to acquire 90 per cent. of the Ordinary Shares within four (4) months of making the offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six (6) weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the Act must (in general) be the same as the consideration that was available under the takeover offer.

15.3 **Sell out**

The Act gives minority shareholders in the Company a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the Ordinary Shares, any holder of shares to which the offer relates who has not accepted the offer can require the offeror to acquire his shares. The offeror would be required to give any shareholder notice of his right to be bought out within one (1) month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out but that period cannot end less than three (3) months after the end of the acceptance period. If a shareholder exercises its rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

16. **Third party information**

16.1 Various data used in this Document has been obtained from independent sources. The Company has not verified the data obtained from these sources and cannot give any guarantee of the accuracy or completeness of the data. Forecasts and other forward looking information obtained from these sources are subject to the same qualifications, risks and uncertainties described above.

16.2 Where information has been sourced from a third party, the Company confirms that the information has been accurately reproduced and that as far as it is aware and is able to ascertain from information published by each of those third parties, no facts have been omitted, which would render the information reproduced inaccurate or misleading.

17. **Availability of the Document**

Copies of this Document are available free of charge from the offices of Zeus Capital and may be inspected at the offices of DWF LLP during normal business hours on any weekday (public holidays excepted) from the date of this Document until at least one month after the date of Admission. This Document is also available on the Company's website www.centralnic.com.

Dated: 13 August 2013

