



Press Release

23 September 2014

CentralNic Group plc
("CentralNic" or "the Company" or the "Group")
Interim results
for the six months ended 30 June 2014

CentralNic (AIM: CNIC), developer and manager of a technology platform that derives revenue from the worldwide purchase of internet domain names, today announces its interim results for the six months ended 30 June 2014.

Key Points:

- CentralNic has seen steady growth in its wholesale ("Registry") business, against a background of delays in new Top-Level Domains (TLDs) and early demand levels across the industry falling short of industry expectations.
- CentralNic has continued investment in the development of new retail and enterprise business lines, as outlined in the 2013 Annual Report.
- Group revenue £1.64 million for H1 2014 (2013: £1.74 million, benefitting from £0.39 million of non-recurring licence and consultancy revenue) and a break-even adjusted EBITDA* (2013: £0.76 million) reflecting the planned re-investment of registry profits into developing the business. Basic and Diluted Loss per Share 1.01 pence (2013: Basic and Diluted Earnings per Share, pro-forma basis, 0.93 pence).
- Cash and cash equivalents of £2.97 million at the end of the half (2013: £0.82 million) reflecting IPO funds received in September 2013 and then invested in 2014.
- CentralNic's wholesale business has continued to grow, with an increase in billings of 25% (2013: 23%), revenues of 16% (2013: -10%) and adjusted EBITDA of 28% (2013: 20%) for that business measured on a like-for-like basis versus H1 2013. This reflected strong performance from the existing domain portfolio, as well as early contribution from new Top-Level Domains ("TLDs").
- CentralNic is now one of the world's leading wholesalers for the new TLDs, with promising early results from the five TLDs it launched in the first half. Additional launches have taken place since 30 June 2014, with at least 25 further launches planned. The business recently entered into a significant new contract for .TICKETS.

* Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share payment charges and acquisition costs

- Fulfilling the Company's strategic plan announced on listing on AIM on 2 September, 2013, CentralNic made substantial capital investments of £1.91 million of cash and operating expenditure investments of £0.80 million in H1 2014 to deliver a rapid increase in the scale and scope of its operations within the domain name industry. This included the acquisition of the trade and assets of domain retailer ("Registrar") Internet.BS and launch of retail websites for .LONDON, .MENU, .LUXURY and .BUILD.
- CentralNic closed H1 with a more diversified business within the domain name industry, with three core revenue-earning divisions: Wholesale ("Registry Services"), Retail ("Registrar Services") and Enterprise.

Post period end:

- CentralNic invested US\$1.62 million in Accent Media Ltd ("Accent Media") to acquire the new Top-Level Domain ".TICKETS". Accent Media has awarded the Registry Service contract for .TICKETS to CentralNic, a contract that will provide CentralNic with on-going revenues and will take the number of uncontested TLDs in CentralNic's portfolio to 30.
- Expansion of CentralNic's online retail business with the launch of the additional flagship stores for .BAR and .REST.

Commenting on the results, John Swingewood, Chairman, said:

"I am pleased that our Registry business has achieved record billings, revenues and profits in the first half of 2014, against a background of delays in new Top-Level Domains ("TLDs") that have impacted across the industry. To date, demand levels have fallen short of industry expectations, however CentralNic has performed strongly relative to the market with the new TLDs it has launched to date and is well positioned to take advantage of the growth in demand when it comes through.

"CentralNic has now made the planned investments in operating and capital expenditure as expected in the first half of the year, transforming the business to enable it to profit not only from wholesale distribution fees, but also from retail sales and new high-yield enterprise contracts. The Board is satisfied with the Company's execution of its plan and believes the business is strongly positioned to take advantage of future opportunities in the industry."

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About CentralNic Group plc

CentralNic (LSE: CNIC) is a London-based AIM-listed company which earns revenues from the worldwide sales of internet domain names over a technology platform that it developed and manages. These domain names are sold on an annual subscription basis and paid for by customers upfront, making CentralNic a cash-generative business with annuity revenue streams. CentralNic comprises three business lines within the domain name industry. It operates a global wholesale network, supplying domain names to over 1,500 vendors in 77 countries, and is a leader in wholesaling for new Top-Level Domains – the new endings for domain names being introduced as alternatives to .com and .net. CentralNic is the exclusive wholesaler for all domains ending with .WEBSITE, .WIKI, .BAR, .FEEDBACK and .XYZ, with more than 50 others under contract. CentralNic is also a leading global domain name retailer, with its retail websites including internetbs.net, buydomains.london and domain.luxury. Additionally, via its enterprise programme, CentralNic supplies domain names (including high-value premium domain names), software and services directly to large corporations and governments.

For more information please visit: www.centralnic.com

Chief Executive Officer's Statement

Performance overview

The Directors are pleased to announce CentralNic's first full set of interim results as a Public Company as well as the advancement of the business over the first half of 2014 marking significant transformations from the company that listed on AIM in September 2013.

Operational highlights include sustained growth of the traditional domain name wholesaling ("Registry") business, a leading position in new Top-Level Domains and significant investment in developing the business - creating a company with multiple revenue lines within the domain name industry (wholesale, retail and enterprise) and exposure to multiple growth opportunities.

The interim financial results reflect two major themes, namely:

1. **Growth in the registry business** by way of Billings, Revenues and Adjusted EBITDA, both in the existing TLD registry portfolio and with the launch of the first five new generic Top-Level Domains ("gTLDs") towards the end of H1 2014.
2. **Cash Investment of £2.71 million** drawing on both the profits generated by the registry and the capital raised from the IPO to accelerate the development of the business across Registrar Services and Enterprise Channels as well as expanding our corporate leadership capabilities and advisory support.

The increased registry profits were offset by the planned expenditure on new business development, resulting in a break-even result at the Adjusted EBITDA level for H1 2014, with residual cash on hand of £2.97 million as at 30 June 2014. The outlook for H2 2014 and for the future is positive, further developing our three business lines, launching more new gTLDs and investing in other growth opportunities within the domain industry.

Wholesale ("Registry") services

The wholesale business performed strongly during H1 2014, with significant year-on-year growth.

On a like-for-like comparison basis:

- Registry gross billings grew by 25% to £2.30 million (2013: £1.84 million). This included £0.33 million from the new gTLDs launched in Q2 2014, and the expansion

of our distribution channels in China, a move that increased billings by a further £0.10 million.

- Registry net revenue grew by 16% to £1.56 million (2013: £1.35 million).
- Gross profit margins improved to 72.1% (2013: 70.1%) reflecting a high conversion from the growth in net revenue flowing down to profit.
- Adjusted EBITDA improved by 28% to £0.71 million (2013: £0.56 million) again reflecting profitable revenue growth over the period.

Despite significant new competition, CentralNic maintained steady growth in its pre-IPO business of distributing domain names ending with such domain extensions as .LA, .PW, .UK.COM and .US.COM. Growth in demand from markets in the Far East was also pleasing. H1 2014 included some early sales contribution from five new Top-Level Domains that were distributed over the CentralNic platform, with terms on a revenue share basis.

Operational highlights for this business included:

- In the first half, CentralNic successfully launched the first five generic Top-Level Domains (“gTLDs”): .XYZ, .WIKI, .INK, .BAR and .REST as well as the new Second-Level Domain extension .CO.COM.
- During the period, CentralNic won additional Registry Services contracts to exclusively distribute domains for the TLDs .WEBSITE, .PRESS, .SPACE and .HOST, three of which launched into general availability on 18 September 2014.
- 80 additional retailers (“registrars”) were added to CentralNic’s distribution network in the first half.

It is pleasing to see such strong performance from the group’s established business unit, with at least 25 more new gTLD launches scheduled to roll out over H2 2014 and 2015.

Investment in Retail (“Registrar”) Services

CentralNic has made significant advances with the plan that it announced when it listed in September 2013 to accelerate profits by entering the retail space for domain names.

Of note, in June 2014 the group acquired the trade and assets of Internet.BS, a global retailer of domain names, for a maximum consideration of US\$7.50 million plus working capital. The consideration was made up as follows:

1. Initial cash consideration of US\$2.70 million plus working capital.
2. CentralNic Group plc ordinary shares issued to a value of US\$2.50 million.
3. Deferred cash consideration of US\$1.30 million payable in June 2015.
4. Contingent cash consideration of up to US\$1.00 million dependent on profit performance over the first year under group ownership, again payable in 2015.

The Internet.BS business is a leading international ICANN–accredited registrar operating in eight languages with an installed customer base across 199 countries. Historically the business has achieved US\$0.73 million of EBITDA without distributing any new TLDs or offering any value-added services such as hosting, email and website builders. Work to add these features is currently underway. The acquisition is expected to be earnings-enhancing in the full year after deal costs, which have been brought to account in this half, whilst only two weeks of the revenues that have been generated by Internet.BS have been brought to account in this half. The Board is optimistic about the prospects of the Internet.BS business.

In addition, CentralNic invested in staff and associated resources for the TLD Registrar Solutions business (“TRS”), which successfully launched four “flagship store” websites for the sale of domains and value-added services under the new TLDs .LUXURY, .BUILD, .MENU and .LONDON (domain.luxury, domain.build, buy.menu and buydomains.london respectively). As well as selling both industry-specific and general consumer domain names, the sites offer other complementary services such as website builders. The up-front investment in building the team and the sites themselves has now been incurred, with further launches expected to benefit from that investment. As such, the registrar team are now being tasked with the integration and driving the performance of the Internet.BS business as well as the roll-out of additional sites in H2 2014, to include .BAR and .REST.

The impact on the Group’s Adjusted EBITDA from this business, taking into account the investments made while largely in a pre-revenue phase, was a net reduction of £0.12 million.

Investment in the Enterprise Channel

CentralNic acquired the domain management software product DomiNIC in late December 2013, a product which is used by a number of the largest companies in the German-speaking world, including telecoms operators. The software enables corporates to efficiently maintain their own domain portfolios across multiple TLDs (an important part of maintaining their intellectual property online), to manage domain sales and supporting other functions related to the Domain Name System.

The group invested in the completion of version 7 of the DomiNIC software in H1 2014, enabling the software to manage the new TLDs, as well as in the integration with a number of TLD registry service providers, allowing it to be used for the majority of internet Top-Level Domain registries.

By combining DomiNIC with its Registry Services, Registrar Services and Consulting capabilities, CentralNic has created an enterprise-level Software and Services Stack which enables corporations and governments to acquire premium domain names, to manage their own domain portfolios and to offer domain names to their customers as an add-on service which can be fully integrated into their CRM, billing and other systems.

Senior sales staff were recruited in the first half of 2014, bringing total capital and operating expenditure for H1 2014 to £0.10 million for the Enterprise business. A pipeline has been created which presents a number of attractive opportunities with telecommunications operators, major international banks and government clients. As well as per-domain transaction fees, these deals attract licensing, systems integration and consulting fees, making these channels more lucrative than traditional domain name vendors.

The impact on the Group's Adjusted EBITDA, taking into account there were some costs but being at a pre-revenue stage in this business, was a net reduction of £0.03 million.

Corporate Development, Governance & AIM

At the time of the IPO the Group acknowledged the need to strengthen the Board, the Executive Team and the advisory functions so as to support the group's newly listed status and to deliver the growth strategy.

As such, group costs increased by £0.26 million across this period. It should be noted that H1 2014 was the first full accounting period that the majority of these roles and services were in place, driving the increase in group costs. In total, operating costs not attributed to specific business units totalled £0.47 million (2013: £0.18 million).

In addition to these costs, the Group was also active in terms of acquisitions during the period, with the Internet.BS deal completed. Due to complexity of that deal, as well as another deal that did not proceed, deal fees of £0.33 million were incurred and expensed.

Current Trading and Outlook for New Top-Level Domains

CentralNic has now established itself as one of the world's leading Registry Service Providers for new Top-Level Domains, and its results are in line with the Board's expectations.

Key highlights of the past 12 months include:

- The number of uncontested TLDs contracted to CentralNic increased from 25 to 30, as CentralNic has won additional client contracts, most recently including .WEBSITE, .HOST, .PRESS, .SPACE and .TICKETS, in which CentralNic is also a shareholder. These TLDs are expected to launch over the course of the next three years.
- The number of TLDs in contention contracted to CentralNic for domain extensions increased from 28 to 32, again due to CentralNic winning additional client contracts. CentralNic has clients who are applicants for what are commonly regarded as the top ten most contended domains, including .APP, .BLOG, .ART, .WEB and .ONLINE. As the contention sets are resolved over the coming months, the number of highly desirable domain extensions that CentralNic provides will become clearer.
- Eight of CentralNic's TLDs have entered into varying stages of the launch process, with .WEBSITE, .PRESS, and .HOST (of Radix Registry) launching into General Availability on September 18, with .WEBSITE achieving sales of over 7000 domains on its first day.
- CentralNic has a pipeline of additional Top-Level Domains considering using its Registry Services, including others in which CentralNic is considering investing.

CentralNic's retail business is expected to expand in H2 2014 with the launches of the retail websites including domains.bar, and domains.rest.

CentralNic's Enterprise Channels business has a pipeline of high-value deals with large corporates around the world, and expects to enter into new contractual agreements in Q4 2014. The Group is also active in seeking to derive value from its current and future portfolio of premium domain names in the second half of the year. This presents opportunities in terms of acquiring and then realising returns from domain names that are desirable in the market, particularly to enterprise clients. This will be another area of focus for the business as we move into the second half of the year.

In summary, CentralNic now operates an end-to-end platform which earns annuity revenues from the sale of new TLDs and other domain names at wholesale, retail, and enterprise

levels. The broadening of the Group's activities combined with the expansion into new market segments provides the Directors with confidence that the Group is set to achieve its commercial targets for the current year.

Ben Crawford

Chief Executive Officer

23 September 2014

STATEMENT OF COMPREHENSIVE INCOME

	Note	Unaudited Six months ended 30 Jun 2014 £'000	Proforma Unaudited Six months ended 30 Jun 2013 £'000	Audited Year ended 31 Dec 2013 £'000
Revenue	4,5	1,641	1,735	3,051
Cost of sales		(682)	(525)	(713)
Gross profit		959	1,210	2,338
Administrative expenses		(1,457)	(574)	(1,578)
Share based payments expense		(111)	-	(66)
Operating (loss) / profit		(609)	636	694
Adjusted EBITDA*		(2)	762	1,015
Acquisition deal fees		(327)	-	-
Depreciation		(40)	(8)	(16)
Amortisation of intangible assets		(129)	(118)	(239)
Share based payment expense		(111)	-	(66)
Operating (loss) / profit		(609)	636	694
Finance income		10	-	7
(Loss) / profit before taxation		(599)	636	701
Taxation	6	-	(172)	(171)
(Loss) / profit after taxation		(599)	464	530
Other comprehensive income				
Other comprehensive income / (expense)		(1)	-	1
Total comprehensive (loss) / income for the financial year		(600)	464	531
Earnings per share			Proforma	
Basic, Pence	7	(1.01)	0.93	1.00
Diluted, Pence	7	(1.01)	0.93	0.91

All amounts relate to continuing activities.

*Earnings before interest, tax, depreciation and amortisation, acquisition costs and non-cash charges.

STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 Jun 2014 £'000	Unaudited 30 Jun 2013 £'000	Audited 31 Dec 2013 £'000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment		110	15	54
Intangible assets	8	6,299	1,840	1,941
Deferred receivables	9	702	922	694
Investments		2	2	2
		7,113	2,779	2,691
CURRENT ASSETS				
Other receivables, deposits and prepayments	10	2,256	182	316
Cash and bank balances		2,974	816	4,932
		5,230	998	5,248
TOTAL ASSETS		12,343	3,777	7,939
EQUITY AND LIABILITIES				
EQUITY				
Share capital	12	61	50	59
Share premium	12	4,935	-	3,485
Share based payments reserve		853	-	742
Foreign exchange translation reserve		-	-	1
Retained earnings		(78)	455	521
TOTAL EQUITY		5,771	505	4,808
NON-CURRENT LIABILITIES				
Other payables		738	725	457
Deferred tax liabilities		62	107	62
		800	832	519
CURRENT LIABILITIES				
Trade and other payables and accruals	11	5,591	2,133	2,427
Taxation payable		181	307	185
		5,772	2,440	2,612
TOTAL LIABILITIES		6,572	3,272	3,131
TOTAL EQUITY AND LIABILITIES		12,343	3,777	7,939

**CONSOLIDATED STATEMENTS OF
CHANGES IN EQUITY**

	Share capital	Share premium	Share based payments reserve	Foreign exchange translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 January 2013	50	-	-	-	629	679
Profit after taxation and total comprehensive income for the period	-	-	-	-	464	464
Total comprehensive income for the period	-	-	-	-	464	464
Dividends	-	-	-	-	(638)	(638)
Balance as at 30 June 2013	50	-	-	-	455	505
Profit for the period	-	-	-	-	66	66
other comprehensive income for the period – translation of foreign operation	-	-	-	1	-	1
Total comprehensive income for the period	-	-	-	1	66	67
Issue of new shares	9	4,991	-	-	-	5,000
Share issue costs	-	(1,506)	-	-	-	(1,506)
Share based payments	-	-	742	-	-	742
Balance as at 31 December 2013	59	3,485	742	1	521	4,808
Profit / (loss) for the period	-	-	-	-	(599)	(599)
other comprehensive income/(expense) for the period – translation of foreign operation	-	-	-	(1)	-	(1)
Total comprehensive income for the period	-	-	-	(1)	(599)	(600)
Issue of new shares	2	1,472	-	-	-	1,474
Share issue costs	-	(22)	-	-	-	(22)
Share based payments	-	-	111	-	-	111
Balance as at 30 June 2014	61	4,935	853	-	(78)	5,771

Share capital represents the nominal value of the company's cumulative issued share capital. Share premium represents the cumulative excess of the fair value of consideration received for the issue of shares in excess of their nominal value less attributable share issue costs and other permitted reductions. 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. Share based payment reserve represents the cumulative value of share based payments recognised through equity. Foreign currency translation reserve represents the cumulative exchange differences arising on consolidation.

STATEMENT OF CASHFLOWS

	Unaudited Six months ended 30 Jun 2014 £'000	Unaudited Six months ended 30 Jun 2013 £'000	Audited Year ended 31 Dec 2013 £'000
Cash flow from operating activities			
(Loss) / profit before taxation	(599)	636	701
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	40	8	16
Amortisation of intangible assets	129	118	239
Share based payments	111	-	66
Operating profit before working capital changes	(319)	762	1,022
Increase in trade and other receivables	(535)	(1)	(138)
Increase in trade and other payables and accruals	756	171	375
Cash flow from operations	(98)	932	1,259
Income tax paid	(4)	(6)	(125)
Net cash flow from operating activities	(102)	926	1,134
Cash flow used in investing activities			
Purchase of property, plant and equipment	(96)	(1)	(50)
Purchase of intangible assets, net of cash acquired	(1,733)	-	(216)
Loan repayments received from third parties	-	-	283
Net cash flow used in investing activities	(1,829)	(1)	17
Cash flow used in financing activities			
(Costs) / Proceeds from issuance of ordinary shares (net)	(22)	-	4,169
Repayments of borrowings (net)	-	369	319
Dividends paid	-	(638)	(638)
Reduction in deferred consideration	-	-	(223)
Net cash flow generated from / (used in) financing activities	(22)	(269)	3,627
Net (decrease) / increase in cash and cash equivalents	(1,953)	656	4,778
Cash and cash equivalent at beginning of the period/year	4,932	160	160
Exchange differences on cash and cash equivalents	(5)	-	(6)
Cash and cash equivalents at end of the period/year	2,974	816	4,932

NOTES TO THE FINANCIAL INFORMATION

1) Basis of preparation

CentralNic Group plc (“the Company”) was incorporated in England and Wales, on 19 June 2013 to act as the holding company of a group involved in the provision of registry and registrar services and strategic consultancy for new Top Level Domains (“TLDs”), Country Code TLDs (“cc-TLDs”) and Second-Level Domains (“SLDs”); and registrant for a portfolio of domain names which it uses as SLD domain extensions for domains. On 9 August 2013, the Company acquired each of CentralNic Limited and its subsidiary undertakings (together the “CentralNic Group”) and TLD Registrar Solutions Limited. On 2 September 2013 the Company raised gross proceeds of £5 million in a placing and its issued share capital was admitted to trading on the AIM market of the London Stock Exchange.

The condensed un-audited interim financial information on the CentralNic Group has been prepared on the basis of the accounting policies, presentation, methods of computation and estimation techniques adopted by the Company in preparing its statutory financial statements for the period ending 31 December 2013.

The condensed un-audited interim financial information for the six months ended 30 June 2013 relates to a period prior to the formation of the current legal group but to a period during which the subsidiary entities were under common control and therefore presents the results of the CentralNic Group and TLD Registrar Solutions Limited as if they 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.

The condensed un-audited interim 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 financial information is presented in UK Pounds Sterling (“£”), which is the functional currency for the CentralNic Group and the Company. All financial information presented in £ has been rounded to the nearest thousand unless otherwise stated.

2. Consolidation

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from date on which control is transferred to the group.

The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. Acquisition-related costs are expensed as incurred.

3. Critical accounting judgments and key sources of estimating uncertainty

In the application of the CentralNic Group's accounting policies, 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 statements:

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. The carrying value of the group's intangible assets are disclosed in note 8.

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.

4. Segment analysis

The CentralNic Group is an independent global domain name registry service provider. It provides registry and registrar 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 views the activities of the CentralNic Group as one segment.

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

Period ended 30 June 2014

	Revenue	Non-current assets	Current assets	Non-current liabilities	Current liabilities
	£'000	£'000	£'000	£'000	£'000
United States	602	3	334	-	323
ROW	1,039	7,110	5,146	579	5,920
	1,641	7,113	5,480	579	6,243

Period ended 30 June 2013

	Revenue	Non-current assets	Current assets	Non-current liabilities	Current liabilities
	£'000	£'000	£'000	£'000	£'000
United States	563	6	742	-	886
ROW	1,172	2,773	256	832	1,554
	1,735	2,779	998	832	2,440

Year ended 31 December 2013

	Revenue	Non-current assets	Current assets	Non-current liabilities	Current liabilities
	£'000	£'000	£'000	£'000	£'000
United States	1,269	4	685	-	662
ROW	1,782	2,687	4,563	519	1,950
	3,051	2,691	5,248	519	2,612

5. Revenue

	Unaudited 6 months ended 30 Jun 2014 £'000	Unaudited 6 months ended 30 Jun 2013 £'000	Audited Year ended 31 Dec 2013 £'000
Revenue from Registry Sales	1,405	1,347	2,653
Revenue from Consultancy and Software Licenses	54	388	381
Revenue from Registrar Sales	180	-	-
Other revenue	2	-	17
	1,641	1,735	3,051

The following table shows customers that represent 10% or more of total revenue:

	Unaudited 6 months ended 30 Jun 2014 £'000	Unaudited 6 months ended 30 Jun 2013 £'000	Audited Year ended 31 Dec 2013 £'000
Customer A	226	242	490
Customer B	218	232	487
Other customers	1,197	1,261	2,074
	1,641	1,735	3,051

6. Corporation tax

	Unaudited 6 months ended 30 Jun 2014 £'000	Unaudited 6 months ended 30 Jun 2013 £'000	Audited Year ended 31 Dec 2013 £'000
Current tax	-	172	137
Adjustments in respect of previous periods	-	-	33
Current income tax	-	172	170
Deferred tax	-	-	1
	-	172	171

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 the CentralNic Group are as follows:

	Unaudited 6 months ended 30 Jun 2014 £'000	Unaudited 6 months ended 30 Jun 2013 £'000	Audited Year ended 31 Dec 2013 £'000
Profit/(loss) before taxation	(599)	636	701
Tax calculated at domestic tax rates applicable to profits in the respective countries	(132)	156	135
Tax effects of:			
Non-deductible expenses	-	15	1
Capital allowances in excess of depreciation	-	-	1
Adjustments in respect of previous years	-	-	33
Losses not utilised / other differences	132	1	-
Current tax expense for the period/year	-	172	170

The Company provides for income taxes on the basis of its income for financial reporting purposes, adjusted for items that are not assessable or deductible for income tax purposes, in accordance with the regulations of domestic tax authorities.

The effective rate of tax for the period year was 22%. In the UK, the applicable statutory tax rate for 2014 was 21% (2013: 23%). In the USA, federal taxes are due at 15% on the first US\$50,000 of

taxable income and 25% there-after, under California tax legislation an additional 8.85% of state tax is due on taxable income.

7. Earnings per share

Earnings per share has been calculated by dividing the consolidated profit / (loss) after taxation attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

In calculating earnings per share prior to the 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 reorganisation on 9 August 2013 but prior to the issue of shares by the Company to raise new funds and the actual shares in issue after that date. The calculation of earnings per share is based on the earnings and number of shares set out below.

Diluted earnings per share has been calculated on the same basis as above, except that the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares (arising from the Group's share option scheme and warrants) into ordinary shares has been added to the denominator. There are no changes to the profit (numerator) as a result of the dilutive calculation.

	Unaudited 6 months ended 30 Jun 2014 £'000	Proforma Unaudited 6 months ended 30 Jun 2013 £'000	Audited Year ended 31 Dec 2013 £'000
(Loss) / profit after tax attributable to owners	(599)	464	530
Weighted average number of shares:			
Basic	59,264,175	50,000,000	52,814,446
Effect of dilutive potential ordinary shares	-	-	5,328,727
Diluted	59,264,175	50,000,000	58,143,173
Earnings per share:			
Basic	(1.01) pence	0.93 pence	1.00 pence
Diluted	(1.01) pence	0.93 pence	0.91 pence

There were 5,328,727 anti-dilutive potential ordinary shares at 30 June 2014.

8. Intangible assets

	Domain Names £'000	Software £'000	Customer List £'000	Goodwill £'000	Total £'000
Cost or deemed cost					
At 1 January 2013	3,437	-	-	-	3,437
Exchange Differences	15	-	-	-	15
At 30 June 2013	3,452	-	-	-	3,452
Additions	15	206	-	-	221
Exchange Differences	(20)	-	-	-	(20)
At 31 December 2013	3,447	206	-	-	3,653
Additions	-	658	2,548	1,281	4,487
Exchange Differences	(6)	-	-	-	(6)
At 30 June 2014	3,441	864	2,548	1,281	8,134
Amortisation					
At 1 January 2013	1,478	-	-	-	1,478
Charge for the period	118	-	-	-	118
Exchange differences	16	-	-	-	16
At 30 June 2013	1,612	-	-	-	1,612
Charge for the period	121	-	-	-	121
Exchange differences	(21)	-	-	-	(21)
At 31 December 2013	1,712	-	-	-	1,712
Charge for the period	111	18	-	-	129
Exchange differences	(6)	-	-	-	(6)
At 30 June 2014	1,817	18	-	-	1,835
Carrying value					
At 30 June 2014	1,624	846	2,548	1,281	6,299
At 31 December 2013	1,735	206	-	-	1,941
At 30 June 2013	1,840	-	-	-	1,840

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

9. Deferred receivables

	Unaudited 30 June 2014 £'000	Unaudited 30 June 2013 £'000	Audited 31 December 2013 £'000
Amounts due from shareholders	702	922	694
	702	922	694

Deferred receivables represent amounts due from Jabella Group Limited, a shareholder during the period. Amounts due from Jabella Group Limited were interest free until 31 August 2013, from which time the balance accrued interest at 2% above LIBOR (2014 £8,667; 2013 £Nil). The loan was granted in August 2011 for a term of five years, the balance is currently £702,401. The directors consider the loan to be fully recoverable. The directors consider that the fair value of this receivable is not materially different from the carrying value.

10. Other receivables, deposits and prepayments

	Unaudited 30 June 2014 £'000	Unaudited 30 June 2013 £'000	Audited 31 December 2013 £'000
Trade receivables	642	-	206
Other receivables	349	156	47
Deferred costs	1,183	-	-
Prepayments	82	26	63
	2,256	182	316

11. Trade and other payables and accruals

	Unaudited 30 June 2014 £'000	Unaudited 30 June 2013 £'000	Audited 31 December 2013 £'000
Accounts payable	535	214	270
Accrued expenses	343	129	99
Other taxes and social security	(41)	9	50
Deferred consideration	1,292	454	230
Deferred revenue	2,699	1,296	1,438
Customer payments on account	749	-	324
Other liabilities	14	31	16
	5,591	2,133	2,427

12. Share capital

	Number	Share Capital £'000	Share Premium £'000
On incorporation on 19 June 2013	1	-	-
Issued in connection with the acquisition of CentralNic Limited on 9 August 2013	49,999	50	-
Share split	49,950,000	-	-
Placing shares	9,090,909	9	3,485
At 31 December 2013	59,090,909	59	3,485
Issued in connection with the acquisition of Internet.BS Corp on 16 th June 2014	2,090,738	2	1,450
At 30 June 2014	61,181,647	61	4,935

At 30 June 2013 the Company had issued share capital of one ordinary share of £1.

On 9 August 2013, the Company issued 49,999 Ordinary Shares in exchange for the entire issued share capital of CentralNic Ltd.

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

On 2 September 2013, the Company issued 9,090,909 new ordinary shares to investors in a placing at 55 pence per share.

On admission to AIM on 2 September 2013 the Company's had 59,090,909 shares in issue.

On 16 June 2014, the Company issued 2,090,738 new ordinary shares to Marco Rinaudo in a placing at 70.5 pence per share.

13. Business combinations

On 16 June 2014 the Group acquire the trade and assets of Internet.BS Corp, a private company incorporated in the Commonwealth of the Bahamas and specialising in the retailing of internet domain names.

The following table summarises the consideration to acquire the trade and assets of Internet.BS Corp, the fair value of the assets and liabilities at the acquisition date in line with group accounting policies.

Consideration	£'000
Cash	1,710
Equity instruments (2,090,738 ordinary shares)	1,474
Deferred consideration	766
Contingent consideration	295
Adjustment for working capital	(18)

Total consideration	<u>4,227</u>
Fair value recognised on acquisition	<u>£'000</u>
Intangible assets – Customer list	2,548
Intangible assets – Software	500
Trade receivables	214
Deferred expenditure	1,183
Cash	129
	<u>4,574</u>
Liabilities	
Accruals	30
Payments on account	212
Deferred revenue	1,385
	<u>1,627</u>
Total identifiable net assets at fair value	<u>2,947</u>
Goodwill arising on acquisition	1,280
Purchase consideration	<u>4,227</u>

The fair value of the 2,090,738 ordinary shares issued as part of the consideration paid to continue the trade and assets of Internet.BS Corp was based on the published share price on 16 June 2014 which was 70.5 pence.

The deferred consideration is due for payment on the first anniversary of the acquisition date.

The contingent consideration is dependent on the operating profit in the first year post acquisition and is due for payment on the first anniversary of the acquisition date. The fair value of the contingent consideration is based on the directors' assessment of the likely operating profit for the year.

14. Nature of financial information

The financial information presented above does not constitute statutory financial information for either the Company or the CentralNic Group.

- Ends -