

15 September 2020

WEBCENTRAL GROUP LIMITED (ASX: WCG)

UPDATE ON WEB.COM SCHEME AND 5GN PROPOSAL

Webcentral Group Limited (**Webcentral**) refers to its ASX announcement dated 7 September 2020, which noted that:

- Webcentral had entered into a scheme implementation deed dated 12 July 2020 (**SID**) with Web.com Group, Inc. (**Web.com**) under which it is proposed that Web.com will acquire all of the shares in Webcentral for \$0.10 per share (the **Scheme**);
- Webcentral had received a non-binding indicative proposal from 5G Networks Limited (**5GN**) to acquire all of the shares in Webcentral by way of a conditional off-market takeover bid (**5GN Proposal**).¹ The consideration under the 5GN Proposal is proposed to be 1 5GN share for every 12 Webcentral shares; and
- the Webcentral Board had determined that the 5GN Proposal is a Superior Proposal (as defined in the SID and, accordingly, had commenced the matching right process outlined in the SID.

WEB.COM COUNTERPROPOSAL

The matching right period under the SID expired at the end of yesterday. Web.com has provided a counterproposal to Webcentral offering to increase the cash consideration payable under the Scheme to \$0.155 for each Webcentral share (**Web.com Counterproposal**).

ASSESSMENT BY THE WEBCENTRAL BOARD

The Webcentral Board is currently assessing whether the Web.com Counterproposal would provide an equivalent or superior outcome to Webcentral shareholders when compared to the 5GN Proposal.

In this assessment, the Webcentral Board is taking in account all terms and conditions and other aspects of both proposals, including, but not limited to, timing considerations, conditions precedent, the value and types of consideration, the level of certainty as to the funding required for each proposal, the identity, reputation and financial condition of Web.com and 5GN and other matters affecting the probability of each proposal being completed and the outcome for Webcentral shareholders.

¹ As mentioned in further detail in Webcentral's ASX announcement dated 7 September 2020, the only proposed defeating conditions to the takeover bid are (a) a 50.1% minimum acceptance condition, (b) a no 'prescribed occurrences' condition and (c) a no material adverse change condition.

The pre-conditions to the takeover bid are the negotiation of, and entry into, a bid implementation agreement between 5GN and Webcentral and also a unanimous board recommendation. Neither of these pre-conditions has been satisfied.

TAKE NO ACTION

Webcentral advises that no action should be taken by Webcentral shareholders pending the outcome of the assessment of the Web.com Counterproposal and the 5GN Proposal by the Webcentral Board and its advisers.

The Webcentral directors note that there is no assurance that the Scheme (as is proposed to be amended by the Web.com Counterproposal) or the 5GN Proposal will proceed.

The SID provides that Webcentral must use its best endeavours to procure that none of the Webcentral directors change their recommendation in favour of the Scheme until after the conclusion of the matching right process.

In light of the above, no Webcentral Board Member recommends, supports or endorses the 5GN Proposal at this stage and the Webcentral Board continues to unanimously recommend that Webcentral shareholders vote in favour of the Scheme at the scheme meeting – Webcentral shareholders are referred to Webcentral's ASX announcement dated 13 July 2020 and Webcentral's scheme booklet dated 21 August 2020 for further information and details.

Webcentral will keep Webcentral shareholders informed of any material developments.

FURTHER INFORMATION

Please contact Ms Emma Jewell of Red Agency for any media enquiries or Mr Andrew Reitzer for any investor queries.

Ms Emma Jewell
Red Agency
P: 0408 199 396
E: emma.jewell@redhavas.com

Andrew Reitzer
Chairman
0417 275 806

The release of this announcement to the ASX was authorised by the Webcentral Board of directors.

No investment advice or offer

This announcement has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Webcentral shareholder or any other person. Nothing in this announcement constitutes, or should be taken as, financial product advice. The Webcentral directors strongly encourage Webcentral shareholders to seek independent financial and taxation advice before making any investment decision or determining what (if anything) to do in response to this announcement. If any investor is in doubt as to the course they should follow, they should consult an independent and appropriately licensed and authorised professional adviser.

This announcement does not constitute or contain an offer to Webcentral shareholders, or a solicitation of an offer from Webcentral shareholders, in any jurisdiction.

About Webcentral Group Ltd

Webcentral Group Ltd is Australia's largest full-service digital services partner for small and medium businesses - fuelling the growth of local businesses from inception to acceleration.

P: 02 9215 6300
Level 23, 680 George St,
Sydney NSW 2000

P: 02 9215 6300
Level 9, 505 Little Collins St,
Melbourne VIC 3000

P: 02 9215 6300
Level 3, 192 Ann Street
Brisbane QLD 4000

Since its founding in 1996, Webcentral Group Ltd (previously Melbourne IT Group and Arq Group) has helped fuel the digital success of more than one million Australian small to medium businesses. With roots in domain name and hosting, Webcentral Group Ltd are the small and medium business digital growth solution experts helping businesses get online, improve their online performance, and protect their online presence.

Webcentral Group Ltd consists of the brands Netregistry, WME, Melbourne IT, and Domainz. The Webcentral Group Ltd Enterprise division was divested March 2020.