



Netccentric Limited (200612086W)
Listed on the ASX

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www.netccentric.com

ASX RELEASE

25 February 2021

Netccentric Raises \$3.05M in Strongly Supported Placement to Fund Growth

HIGHLIGHTS

- Netccentric successfully raises \$3.05 million (before costs) through a strongly supported placement of Chess Depository Interests (“CDIs”) to sophisticated and professional investors to accelerate organic and inorganic growth initiatives. Total placement demand exceeded \$6 million
- The Group received bids through its lead manager Peak Asset Management to raise \$2.95 million through the issue of approximately 19.7 million CDIs at \$0.15 per CDI (25% discount to 15-trading day VWAP), with 2:3 attaching free unlisted options (\$0.18 exercise price, 1 Sept 2023 expiry date)
- In addition to the Company’s \$2.95 million placement capacity, Australian independent non-executive Directors Darren Cooper and Robert Sultan have committed to subscribe for \$50,000 in CDIs each on the same terms as the Placement participants, to be approved by shareholders at the Company’s forthcoming AGM
- With the proceeds of the Placement and improving revenue, cashflow and profitability, Netccentric is well funded and positioned to invest in accelerating its growth in the rapidly-emerging social commerce market

Social commerce platform provider Netccentric Ltd (ASX: NCL, “Netccentric” or the “Group”) is pleased to advise that it has received firm commitments to raise \$2.95 million (before costs) via the issue of approximately 19.7 million CDIs at \$0.15 per CDI to sophisticated and professional investors (“Placement”) in respect of fully paid ordinary shares in the Group.

The placement received strong support, with more than \$6m in bids. The positive market response prompted the Group to increase the amount sought via Placement from \$2 million to \$2.95 million, in line with its maximum placement capacity.

The Placement will be completed in two tranches, with approximately 19,725,000 CDIs expected to be issued on Wednesday, 3 March 2021 under the Group’s placement capacity pursuant to ASX Listing Rule 7.1. The balance of 666,666 CDIs, representing directors’ participation in the Placement, will be issued following shareholder approval being received at the Group’s annual general meeting (“AGM”) for the financial year ended 31 December 2020, which is expected to be held during the month of May 2021.

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The issue price of the Placement represents a 25% discount to Netccentric's 15-trading day VWAP (volume weighted average price) of \$0.2003. Along with each CDI subscribed for, the Group intends to issue 2:3 attaching free unlisted options (i.e. 2 options for every 3 CDIs issued as part of the Placement), with an exercise price of \$0.18 and an expiry date of 1 September 2023 ("Free Attaching Options"). The Free Attaching Options will also be issued under the Group's placement capacity under ASX Listing Rule 7.1 (except those to be issued to the participating directors for which shareholder approval will be sought at the AGM).

The Placement was led by boutique investment company Peak Asset Management, who will earn a 6% fee on funds raised through investors introduced by Peak, a 2% fee on funds raised through investors introduced by Netccentric and 6,500,000 unlisted options on the same terms as the Free Attaching Options ("Lead Manager Options"). The Lead Manager Options will also be issued under the Group's placement capacity under ASX Listing Rule 7.1.

The Group intends to apply funds raised towards synergistic potential acquisitions and investments, development and expansion of the Nuffnang Live Commerce platform and existing Nuffnang Services and general working capital, including the costs of the issue.

The Placement follows the Group's delivery of growth in revenue and profit in the year to 31 December 2020 with continued execution of Netccentric's growth strategy.

Netccentric Executive Chairman, Ganesh Kumar Bangah, said:

"We are pleased to gain the support of new investors through this placement which comes at an exciting point of Netccentric's growth story."

"We plan to use these funds to support our team's delivery of growth in social commerce, a market which is rapidly emerging - particularly in Asia - and in which we are well-placed to gain share with an established base business and innovative new technology."

"We have developed a platform, Nuffnang Live Commerce, which allows us to turn the engagement between influencers on our platform and their followers into revenue and sales. We will continue to develop and expand this platform in 2021, more closely integrating our influencer community and the Commerce infrastructure of our JV partner, Commerce.Asia, to provide an end-to-end live video commerce solution from live video production through to payment and fulfilment."

"I thank our existing shareholders and incoming investors for their support, and look forward to executing the Group's growth strategy alongside the Netccentric Board and management team through what we expect to be a highly active 2021."

An Appendix 3B for the proposed issue of the Placement shares and options will follow. This announcement effectively lifts the trading halt which the Company requested on 23 February 2021.

This announcement was approved for release by the Netccentric Board of Directors.

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About Netccentric Ltd

Netccentric Ltd (ASX: NCL) is a pioneering and established provider of social media influencer marketing solutions. The Company provides its diverse client base of leading brands with results-focused growth strategies backed by end-to-end expertise spanning Influencer Marketing, Social Media Marketing, Performance Marketing, Video and Content Creation and Social Commerce.

Listed on the Australian Securities Exchange and based in Malaysia with offices in Singapore and Taiwan, Netccentric is rapidly commercialising an innovative social commerce platform which turns the engagement between social media influencers and followers into revenue and sales.

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