



Netccentric Limited (200612086W)
Listed on the ASX

600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

www.netccentric.com

ASX RELEASE

4 March 2021

NUFFNANG LIVE COMMERCE BUSINESS AND STRATEGY UPDATE: MONTHLY VOLUME +65%

Highlights

- **Strong recent volume growth for Nuffnang Live Commerce: in January 2021, the platform facilitated MYR 988.6k (AUD ~\$312k) in monthly orders, up 65% from the monthly average of orders facilitated during the December 2020 quarter alongside a successful campaign with global skincare brand NIVEA**
- **Nuffnang Live Commerce combines live video streaming with the ability for sellers and buyers to interact in real time, helping to move consumers from awareness to the purchase stage instantaneously as they can immediately buy products from a social media influencer's live stream**
- **Netccentric plans to integrate several digital wallets with its Nuffnang Live Commerce platform, allowing the Group to deliver and monetise this highly-demanded option as digital payments in Southeast Asia have grown to an inflection point, expected to cross US\$1 trillion by 2025**

Social commerce platform provider Netccentric Ltd (ASX: NCL, "Netccentric" or "the Group") is pleased to provide an operational and strategy update regarding development of its Nuffnang Live Commerce platform.

Background

In FY20 the Group launched Nuffnang Live Commerce, a platform which turns the engagement between social media influencers and their followers into revenue and sales. The platform moves consumers from awareness to the purchase stage instantaneously, as viewers can use their mobile device to immediately purchase advertised products from an influencer's live video stream.

The Group developed and launched this innovative platform to tap further into the booming influencer marketing industry. According to the Media Specialist Association of Malaysia, advertising on social platforms captured almost 33% of total Malaysian digital advertising expenditure in H1 CY20, an increase of more than 15% from the previous corresponding period while most other digital advertising expenditures shrank.

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Recent Growth

Since launching Nuffnang Live Commerce, the Group has experienced significant growth in the value of product orders transacted using the platform. In January 2021, Nuffnang Live Commerce facilitated MYR 988.6k (AUD ~\$312k) in monthly orders, an increase of +65% from the monthly average of orders facilitated over the previous three months of MYR 598.2k (AUD ~\$189k).

NIVEA Campaign

Netccentric is pleased to advise that alongside its recent volume growth, the Group has delivered a successful campaign for NIVEA, a new client for the Group's Nuffnang Live Commerce platform.

NIVEA is a global skin and body personal care brand owned by the German multinational Beiersdorf AG (ETR: BEI). For more than 100 years, families have trusted NIVEA products to take the best care of their skin. Today, NIVEA is active in more than 200 countries, and holds the number 1 position in many skin care categories around the globe.

NIVEA has partnered with Netccentric to run six live sessions to date with 11 influencers who specialise in the beauty and lifestyle segment to generate sales while sharing the winning benefits of its products. This was the first time that NIVEA had embarked on live selling/commerce sessions leveraging their Facebook page or influencers' own pages.

Beiersdorf Brand Manager, Charis Chan, said:

"The 11 influencers are from different customer segments – comprising Chinese, Malay and English markets – who were speaking to a wide range of target audiences."

"We cross-posted the live sessions to the influencers' Facebook pages as well, resulting in a simultaneous live session of up to 3 active pages at any one time."

From these efforts, NIVEA generated more than 250,000 views across all Facebook pages, and thousands of engagements across all pages.

Ms Chan added: *"Sales exceeded expectations and we are appreciative of NIVEA's partnership with Nuffnang, Malaysia's leading influencer and content marketing company."*

Mobile Wallet Integration Strategy

Netccentric has identified significant potential to boost engagement with Nuffnang Live Commerce further by allowing for the integration of various digital wallets as payment options for consumers.

Digital wallets are mobile apps that securely store consumers' credit card or debit card payment information and passwords for numerous payment methods and websites. When used in conjunction with mobile payment systems, digital wallets allow customers to pay for purchases with their smartphones, eliminating the need to carry a physical wallet and potentially granting the payment provider insights into their purchasing habits.

These apps leverage near-field communications technology to allow users to complete purchases easily and quickly, store funds and loyalty card information and track their transaction histories. Digital wallets do not require a bank account with a physical firm or branch, which can facilitate service for

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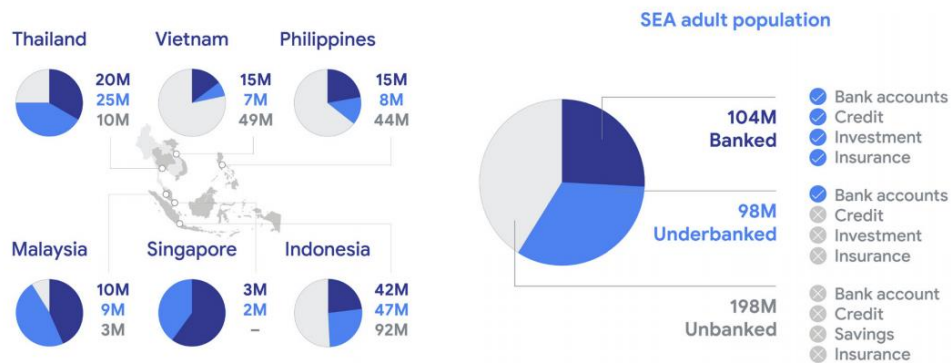
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those in poorer and rural areas and allow more people in developing nations to participate more fully in the global banking system.

According to a 2019 report by Google, Temasek and Bain & Company¹, the adoption of digital payments in Southeast Asia has grown to an inflection point and is expected to cross US\$1 trillion by 2025, accounting for almost one in every two dollars spent in the region. At the same time, usage of credit cards and ATMs are declining as e-money surges to more than 50% of all payment volumes.

Rising internet penetration and adoption in Southeast Asia is driving these changes in consumer behaviour, with 90% of the region's 360 million internet users connecting to the Internet primarily through their mobile phones. At the same time, almost 300 million of the adult population in Southeast Asia are underbanked or unbanked, with limited options for credit.



Source: Google & Temasek / Bain, e-Conomy SEA 2019

Nuffnang Live Commerce Integration

Netccentric plans to integrate the first of several anticipated digital wallets with its Nuffnang Live Commerce platform, allowing the Group to deliver this popular payment option to its influencers' followers.

With each of Asia's leading digital wallets offering multiple payment options, and minimal technical barriers to achieving full integration between several digital wallets and Nuffnang Live Commerce, the Group sees scope to significantly enhance the functionality of its platform and promote growth both in total transaction value and in revenue share to Netccentric.

Netccentric Executive Chairman, Ganesh Kumar Bangah, said:

"Nuffnang Live Commerce is Netccentric's 'secret sauce' for brands looking to expand their eCommerce business. Influencer marketing is as close as you can get for brands to get recommendations from people close to consumers, while still retaining some creative control over the message and audience.

"We are pleased to have delivered strong volume growth for Nuffnang Live Commerce in 2021 to date along with measurable results for NIVEA and other clients. Nuffnang Live Commerce allows our clients to generate awareness, engagement and conversion within the same hour the live commerce video is streaming, and we look forward to running many more campaigns as our business gains scale.

¹ https://www.bain.com/globalassets/noindex/2019/google_temasek_bain_e_conomy_sea_2019_report.pdf

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"As we continue to develop our platform in 2021, achieving digital wallet integration is a key part of our strategy to drive engagement and transaction value to Nuffnang Live Commerce. Digital wallet integration offers the potential to bring a range of benefits to consumers, influencers and the Group's shareholders, including a simpler user experience, reduction in wait times and cart abandonment, fraud prevention and, most importantly, extending our brands and influencers' addressable markets to include the large and rising cohort of Asian consumers who prefer to transact using digital wallets.

"Over time, we also see potential for these integrations to allow us to provide loyalty solutions to consumers and help Netccentric to better serve users through a closer understanding of purchasing preferences. We see this as a win-win for customers, influencers, brands and investors."

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

For further information, please contact:

Ms Angeline Chiam
Chief Financial Officer, Netccentric Limited
Email: angeline@netccentric.com

Mr Tim Dohrmann
Investor Enquiries
Email: tim@nwrcommunications.com.au

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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