



Netccentric Limited (200612086W)
Listed on the ASX

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ASX RELEASE

26 May 2021

NETCCENTRIC SIGNS STRATEGIC PARTNERSHIP WITH ESHOPLIVE TO DRIVE VOLUME-BASED FEES ACROSS ITS SOCIAL COMMERCE BUSINESS

Highlights

- Netccentric Limited's (ASX: NCL, "Netccentric") subsidiary, Nuffnang Live Commerce Sdn. Bhd. ("Nuffnang Live Commerce") has agreed to become the exclusive technology, payment and fulfilment partner to eShoplive.Asia ("eShoplive"), a leading Social Live Commerce platform based in Malaysia, for an initial period of 3 years.
- eShoplive offers synergies with Netccentric's ecosystem of marketing businesses, in particular the Group's Nuffnang Live Commerce platform, of which eShoplive will become the anchor user across its social commerce business.
- eShoplive has been experiencing tremendous growth since its launch, with its monthly revenue growing by 4,760% from RM25k (~AUD\$8k) in August 2019 to RM1.19m (~AUD\$375k) in Dec 2020.
- As part of the strategic partnership, Netccentric will acquire a 5% interest in Innovatic Commerce Solution Sdn. Bhd. ("ICS"), the owner of eShoplive for RM1,551,872 (approximately AUD \$490k) funded from existing cash reserves.
- Nuffnang Live Commerce will earn volume-based and transaction-based fees from eShoplive for technology and payment gateway usage, warehousing and fulfilment of orders.
- The partnership will be mutually beneficial, supporting Netccentric's growth strategy whilst providing eShoplive with the technology it requires for order management, payment and fulfilment.

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Social commerce platform provider Netccentric Limited (or together with its subsidiaries, “the Group”) is pleased to announce that it is entering into a strategic partnership with Innovatic Commerce Sdn. Bhd. (“ICS”) which is the operator of eShoplive.Asia (“eShoplive”).

Background

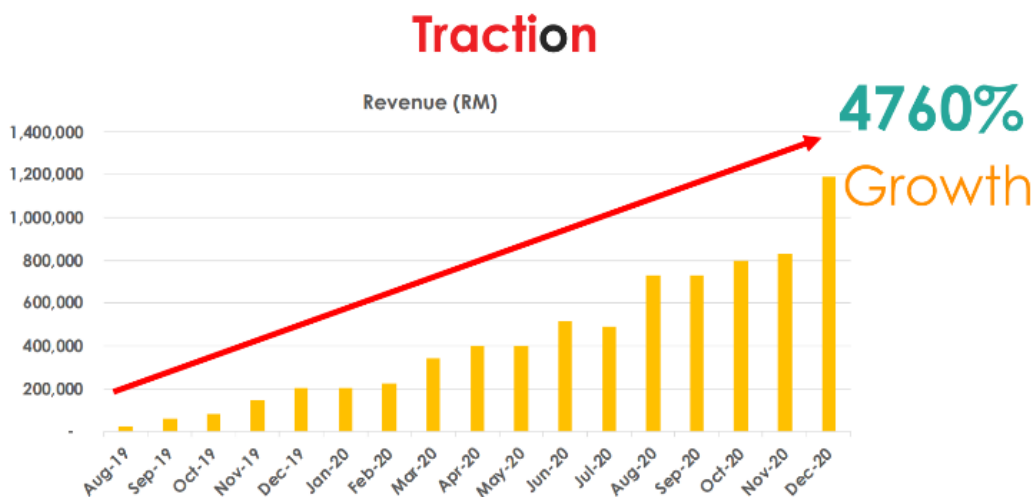
Netccentric’s Nuffnang Live Commerce platform turns the engagement between social media influencers and their followers into revenue and sales. The platform moves consumers from the awareness to purchase stage by allowing viewers to use their devices to immediately purchase advertised products from an influencer’s live video stream. The Group developed and launched this innovative platform in FY2020 to tap into the globally booming influencer marketing industry.

Strategic Partnership with eShoplive

In August 2019, ICS launched eShoplive, a Social Live Commerce platform which is Malaysia’s first S2B2C platform connecting suppliers to businesses to customers. Since its inception, eShoplive has sold over 300 SKUs through its live streaming platform and has built an active customer base of over 30,000 users. It has a team of over 17 professional hosts and streams, on average, 8-10 live shows per day from 5 Facebook pages to its 164,000 followers.

eShoplive has been experiencing tremendous growth since its launch, with its monthly revenue growing by 4,760% from RM25k (~AUD\$8k) in August 2019 to RM1.19m (~AUD\$375k) in December 2020.

There are strong synergies between the Netccentric and eShoplive businesses, particularly in relation to Netccentric’s Nuffnang Live Commerce platform. The partnership is mutually beneficial and will support Netccentric’s growth strategy by growing gross merchandise value (GMV) whilst providing eShoplive with the best available technology that it requires for order management, payment and fulfillment.



(Source: ICS company data (unaudited))

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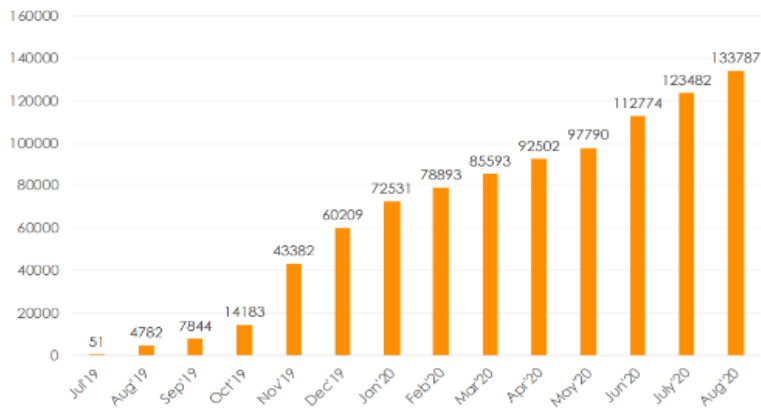
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Traction

Customer Base Aug
2019 to Sep 2020



2679%
Growth

(Source: Total Facebook Page followers)

Terms of the Strategic Partnership

Nuffnang Live Commerce will become the exclusive technology, payment and fulfilment partner to all of eShoplive's live commerce activities for an initial period of 3 years with an option to extend for another 3 years. Nuffnang Live Commerce will earn fees calculated separately as a Technology Fee structured as a percentage of Monthly Transaction Gross Merchandise Value (GMV), a Payment Gateway Fee set as a flat fee per transaction, plus fees for warehousing, fulfilment and packaging which will scale up with transactional GMV.

As part of the strategic partnership, Netccentric will acquire a 5% interest in ICS for RM1,551,872 (approximately AUD \$490k). The purchase will be funded from existing cash reserves.

eShoplive's Chief Executive Officer, Jorvy Tan, said:

"We are delighted to partner with Netccentric and look forward to having their best-in-class eCommerce technology support our growth in transactional value. We expect this development to enhance the user experience for eShoplive's customers, vendors and suppliers as we continue to boost engagement with our platform."

"We are also pleased to welcome Netccentric as an ICS shareholder. We are grateful for Ganesh and his team's support of our vision to form a one-stop ecosystem spanning live streaming services, talent training, product management, IT solutions and online-to-offline retail strategy."

Netccentric's Executive Chairman, Ganesh Kumar Bangah, said:

"We are pleased to partner with eShoplive and excited by the potential of our investment in their platform. The price of our investment in ICS represents a 2.5x multiple of their 2021 forecast revenue, which in our view presents compelling value in light of ICS' rapid growth."

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“Beyond our new financial interest in the business, we see a strong alignment between eShoplive’s mission to add value to the shopping experience and Netccentric’s strategy to work directly with brands looking to expand their eCommerce market presence. Our partnership will result in a significant boost to the gross merchandise value on which Netccentric will earn fees, and will provide revenue and cashflow to fund the continued growth of Nuffnang Live Commerce.”

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

For further information, please contact:

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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 Malaysia 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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