



Netccentric Limited (200612086W)

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ASX RELEASE

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NETCCENTRIC Q4 FY2021 OPERATIONAL UPDATE: INFLUENCER MARKETPLACE LAUNCHED AND NUFFNANG LIVE COMMERCE GMV +302%

HIGHLIGHTS:

- Netccentric has launched 'The Merchist by Nuffnang', a full end-to-end merchandise marketplace providing its network of influencers and artists with the opportunity to develop and sell their own branded products online. This service will boost and diversify influencer revenue with no risk on the influencers' part, while extending their brand and fostering connection with their fans
- This initiative serves as the foundation for the Netccentric Group to venture into the Non-Fungible Token (NFT) industry and the metaverse in the future. The marketplace will help Netccentric to understand better consumer buying behaviours and patterns. 'The Merchist by Nuffnang' is now live at <https://themerchist.com/>
- Strong growth continues for livestream selling platform Nuffnang Live Commerce: during Q4 FY2021, the Group achieved gross merchandise volume (GMV) of S\$2.33m, with orders and GMV both approximately doubling since Q3 FY2021 and GMV up 302% from Q4 FY2020
- Rising social impact through ROAR, the Group's conservation-focused ESG program, with Netccentric and its influencers planting hundreds of trees during the quarter to offset Malaysian carbon emissions
- Launch of VIP membership and reward point loyalty schemes is incentivising eShoplive customers to boost activity levels and supporting growth in GMV for Nuffnang Live Commerce

Social commerce platform provider Netccentric Limited (ASX: NCL), together with its subsidiaries ("the Group"), is pleased to provide an update on operational progress across its business units in the December quarter of FY2021.

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Launch of New Influencer Merchandising Platform: 'The Merchist by Nuffnang'

Nuffnang is Netccentric's 100%-owned social influencer and content marketing platform. From its base in Malaysia, Nuffnang provides engagement and ambassadorship opportunities to global brands through its pool of more than 15,000 influencers, key opinion leaders, celebrities and content creators. They offer a collective reach to more than 20 million engaged social media followers throughout Southeast Asia.

During the quarter, the Group launched 'The Merchist by Nuffnang', a new influencer merchandising marketplace, which provides the Group's network of influencers and artists with the opportunity to develop and sell their own branded products online. 'The Merchist by Nuffnang' is a full end-to-end influencer merchandising solution, providing inspiration, print-on-demand products and fulfilment, all free of charge and with no risk to the influencer.

This marketplace allows fans and consumers to deepen their relationships with their favourite influencers and artists by buying a range of customised merchandise, including t-shirts, hoodies, sweaters, phone cases, tote bags, hats, keychains, mugs and more; all of which supplements and diversifies revenue influencers earn through branded campaigns.

The 'Merchist' name represents a combination of 'Merch' and 'Specialist' - leveraging the Group's marketing capabilities into specialisation in the merch business, advising and executing on everything from branding and design to production and fulfilment. Netccentric has partnered with Famsy to handle everything after the sale: merchandise production, fulfilment, shipping and customer service, including returns and refunds. This makes it easy for influencers to create and sell their products online with no risk and no upfront costs. Famsy is a 30% associate of Commerce.Asia; a group of companies of which Netccentric Executive Chairman Ganesh Kumar Bangah is Chairman and majority shareholder.

Benefits for Influencers and Fans

- Through selling merchandise, influencers gain a cost-effective marketing tactic to get their brand in front of more eyes. Merchandise extends their brand and provides an effective way to take their content from digital to physical.
- Empowers influencers to express their creative freedom and build connection with their fans through tangible products. By creating custom merchandise for their brand, influencers gain a chance to show their fans a new side of what they can create.
- The launch of influencer merchandise can be a huge event and an opportunity to generate content. Influencers can boost their fans' excitement between merch announcement and launch to get them ready to buy.
- Fosters a community of loyal fans that have one thing in common – their love for the influencer's content - by creating products that fans can discuss on social media and share when they receive them.

Initial sales through pilot tests have generated a strong response, providing Netccentric with the confidence to launch 'The Merchist by Nuffnang' to its full network of influencers. 'The Merchist by Nuffnang' is now live at <https://themerchist.com/>.

This initiative serves as the foundation for the Netccentric Group to venture into the Non-Fungible Token (NFT) industry and the metaverse in the future. The marketplace will help Netccentric to understand better consumer buying behaviours and patterns. These data and insights will enable Netccentric to solidify its NFT strategy and to potentially better create virtual influencers for the metaverse in the future.

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Environmental, Social and Corporate Governance (ESG) Program: Restore Our Amazing Rainforest (ROAR)

Netccentric is committed to creating social impact through its influencer ecosystem. During the quarter, the Group ramped up its collaboration with Animal Projects & Environmental Education Sdn. Bhd. (APE Malaysia), an accredited social enterprise that develops programs in support of conservation projects in a sustainable manner.

Netccentric encourages and invites its network of influencers to contribute to APE Malaysia's ROAR initiative, supporting the planting of trees in Lower Kinabatangan, Sabah, known for its remarkable wildlife and fascinating habitats.

Each influencer paid by Nuffnang can opt to contribute a percentage of their payout towards APE's tree planting initiative. To date, Nuffnang has planted 412 trees in partnership with its network of influencers. This effort has a substantial environmental impact, as these trees will offset the carbon footprints of 31 Malaysians' lifetime carbon emissions.

Moving forward, Nuffnang will encourage its clients to contribute to this project, whereby the company would initiate the planting of 25 trees for each client should they choose to contribute towards ROAR. The Group values this corporate social responsibility initiative as it reconnects important forest corridors that have been degraded through deforestation and helps to offset carbon emissions.

Nuffnang Live Commerce Strong Growth Continues

During the quarter, the Group continued to scale up Nuffnang Live Commerce, an eCommerce platform which automates the livestream selling process, empowering merchants to rapidly convert social media comments into sales.

Nuffnang Live Commerce activity levels continued to develop strongly in Q4 FY2021. During the quarter, the Group achieved GMV of S\$2.33m, with orders and GMV both approximately doubling since Q3 FY2021 and GMV up 302% from Q4 FY2020.

During the quarter, the Group's Live Commerce managed service partnerships became increasingly productive. The Group conducted 12 live commerce sessions during the quarter for Malaysia's largest bedding accessories brand, delivering a total of 82k views and 122.5k engagements throughout the social media livestreams. This successful demonstration of the Group's capabilities has brought both revenue and recognition to Netccentric.

eShoplive Progress and Platform Enhancement with Loyalty Rewards

The Nuffnang Live Commerce platform's growth was boosted by the first full quarter contribution from the Group's investee company, eShoplive. By the end of FY2021, more than 100,000 orders across approximately 500 products from 300 merchant brands had been sold via eShoplive and facilitated by Nuffnang Live Commerce. eShoplive's growth is expected to continue with multiple promotions planned in conjunction with upcoming festive seasons.

During the quarter, the Group worked to enhance the eShoplive platform, implementing a VIP membership to be followed by a reward loyalty scheme designed to give back to customers transacting using the Group's platforms. Through this scheme, all subscribed VIPs are entitled to a 5% year-long discount and an extra 5% discount on products purchased during VIP member days through eShoplive.

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The Group has seen an immediate impact on sales, with monthly repeat purchases by VIP members tripling following the implementation of this scheme. Further to the VIP membership offer, the Group is working towards launch in the current quarter of a reward point scheme which will allow VIPs to collect points on every purchase. Accumulated points will allow VIPs to choose and redeem products (such as branded cookware and kitchenware) during eShoplive redemption campaigns, or the points will be redeemable as credit to respond on eShoplive products.

eShoplive is proactively driving VIP membership growth through affiliate programs, online marketing campaigns, eShoplive VIP days on the 28th of every month where all VIPs are entitled to 5% + 5% discounts as per above, and on-ground events to drive sign-ups – all of which will support growth in GMV for Nuffnang Live Commerce.

Netccentric Executive Chairman, Ganesh Kumar Bangah, said:

"As we commence a year in which we anticipate continued growth, we remain focused on developing our platforms to meet the needs of customers, merchants and our community. We are excited to launch 'The Merchist by Nuffnang', as providing our network of influencers with cost-free opportunities to create and sell their own custom branded merchandise delivers tangible benefits to influencers, their audiences and to Netccentric.

"'The Merchist by Nuffnang' also paves the way for the Netccentric Group to be more actively involved in the NFT industry and the Metaverse moving forward. We are of the view that the Metaverse would eventually revolutionise many aspects of life and business – including influencer marketing – and we are currently solidifying plans to be more actively involved in this natural evolution of the industry.

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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