



Netccentric Limited (200612086W)
Listed on the ASX

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

www.netccentric.com

ASX RELEASE

28 February 2022

NETCCENTRIC DELIVERS FY2021 GROWTH IN REVENUE AND UNDERLYING EBITDA

HIGHLIGHTS:

- **Strong revenue growth in FY¹2021, with total revenue +45% year-on-year (YoY) to S\$11.52 million, driven by growth across the Group's business units**
- **Netccentric's 100%-owned social influencer and content marketing platform, Nuffnang, delivered a strong contribution with revenue increasing by 33% YoY, achieving S\$6.47 million in FY2021 (FY2020: S\$4.87 million). Within this, Nuffnang Malaysia remains a key growth driver with revenue up by 54% YoY**
- **Netccentric's end-to-end live video commerce solution, Nuffnang Live Commerce, made strong progress with gross merchandise value (GMV) up 302% in Q4 FY2021 vs Q4 FY2020. The platform transacted more than 61k orders in FY2021 with GMV of S\$4.31 million**
- **FY2021 EBITDA² increased by 17% YoY to S\$0.30 million**
- **Gross profit of S\$4.76 million in FY2021 increased by 25% YoY from S\$3.80 million in FY2020**
- **Strong liquidity to execute growth strategies, with cash and cash equivalents of S\$5.41 million as at 31 December 2021**

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

¹ FY relates to the period 1 January to 31 December

² EBITDA adjusted for extraordinary items relating to the issue of share options expenses, forex movements, professional fees relating to evaluation of M&A opportunities and a debt waiver in FY2020

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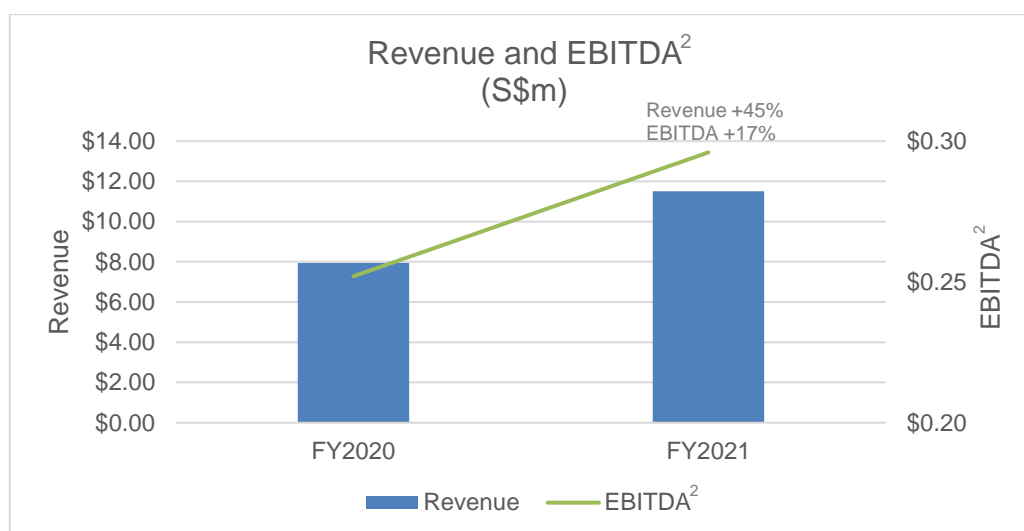


Full Year FY2021 Performance

The Group achieved revenue of S\$11.52 million, representing growth of 45% YoY.

The strong revenue growth was spread across the Group's business units, with a continued focus on cost controls allowing the Group to deliver group EBITDA² of S\$0.30 million in FY2021, +17% YoY (FY2020: S\$0.25 million).

The Group's financial results reflect a continuing strengthening as the business gains scale and management executes Netccentric's growth strategies.



The Group consumed a modest S\$28k of operating cash in FY2021, with the cash burn attributable to costs associated with investments made in scaling up new businesses such as Nuffnang Live Commerce.

In FY2021, gross profit was up 25% YoY from S\$3.80 million in FY2020 to S\$4.76 million in FY2021.

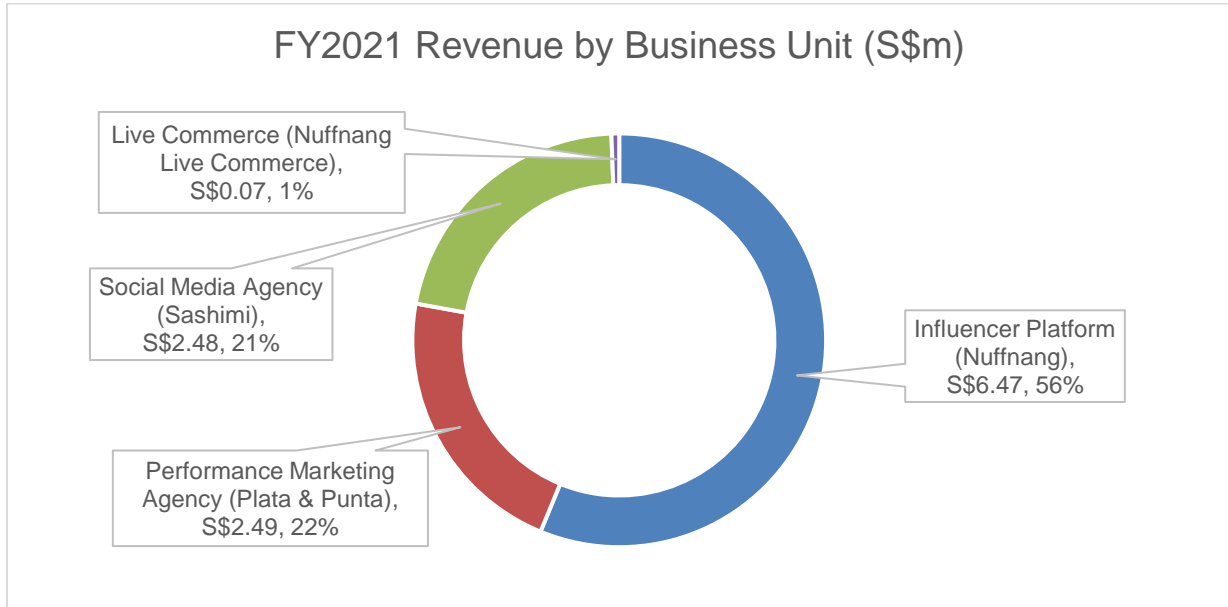
The loss before tax for the Group amounted to S\$0.59 million (FY2020: profit before tax of S\$0.14 million). FY2021's loss before tax was primarily driven by extraordinary items relating to the issue of share options expenses, forex movements and professional fees relating to evaluation of M&A opportunities amounting to S\$0.67 million. Excluding these extraordinary expenses, the Group would deliver a profit before tax of S\$0.08 million (FY2020: profit before tax of S\$0.06 million excluding extraordinary gain such as forex movements and a debt waiver).

Netccentric has strong liquidity to execute its growth strategies with cash and cash equivalents of S\$5.41 million as at 31 December 2021, an increase of 60% from S\$3.38 million as at 31 December 2020.

² EBITDA adjusted for extraordinary items relating to the issue of share options expenses, forex movements, professional fees relating to evaluation of M&A opportunities and a debt waiver in FY2020



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Nuffang Growth Continues Across Customer Base

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

Nuffang's revenue growth increased by 33% YoY, achieving S\$6.47 million in FY2021 compared to S\$4.87 million in FY2020. Nuffang contributed 56% of Group revenue in FY2021 and, as such, Nuffang represents a core product within Netccentric's comprehensive marketing ecosystem.

Nuffang Malaysia continues to be a key driver of growth with total revenue up by 54% YoY, with growth spread across its customer base. As revenue from the anchor client portfolio grew by 25% YoY, the total revenue indicates stronger growth with newer clients. The Group continued to strengthen its partnerships with key media agencies in FY2021, growing revenue from these sources by 40% YoY. Spend from direct clients grew by 88%, contributed by growth in campaign spending from key clients including Dutch Lady, which increased by 998%, and Hasbro, which increased by 132% YoY.

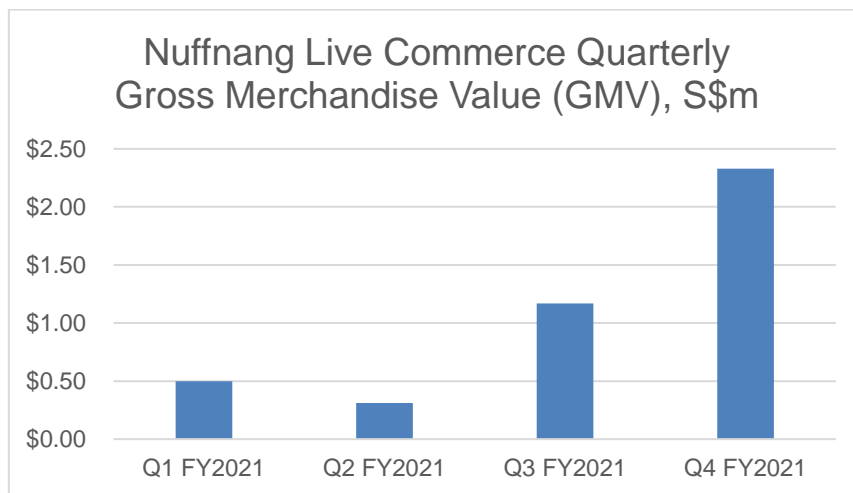
Nuffang Malaysia has now achieved almost 100% adoption of its Campaign Management Platform amongst its clients and influencers, as they see the benefit of the platform in creating a smoother workflow and allowing real time monitoring of the performance of their campaigns. The platform brings Nuffang the advantage of scalable growth.



Strong Volume Growth for Nuffnang Live Commerce

In FY2020, the Group launched Nuffnang Live Commerce, a platform which helps merchants to convert social media comments into sales with a scalable and automated back-end solution designed for livestream selling.

In FY2021, Nuffnang Live Commerce began to scale up and successfully tapped into the booming social commerce industry. During the year, Nuffnang Live Commerce transacted a total of 61,184 orders with gross merchandise value (GMV) of S\$4.31 million. The chart below depicts the extent to which the Group grew its GMV momentum over the period.



The surge in transactions yielded significant revenue growth, coming off a low base in FY2020 growing from almost nil revenue to S\$0.07 million in FY2021.

Comparing YoY quarters, Q4 FY2021's GMV is up 302% from Q4 FY2020 and transacted orders increased by +275%, from 7,810 to 29,321.

Nuffnang Live Commerce's technology has helped to increase the efficiency of eShoplive's operational and customer journey in 2021. eShoplive is a social live commerce platform and Malaysia's first supplier to business to consumer live commerce marketplace. Netccentric made a strategic minority investment in eShoplive in May 2021 and became its exclusive technology, payment and fulfilment partner. The efficiency gains achieved through the strategic partnership have enabled eShoplive's livestream selling business to grow rapidly, highlighted by a significant uplift in its GMV which grew by 255% in FY2021.

Plata & Punta Delivers Strong Diverse Growth

The Group's performance marketing agency, Plata & Punta ("P&P"), saw strong growth driven by increased media spend from key eCommerce clients in the baby products and bedding/interior design industries. This business unit achieved revenue of S\$2.49 million in FY2021, an increase of 76% from FY2020.

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P&P achieved stronger agency partnerships in FY2021 compared to FY2020 which has supported sustainable revenue growth. P&P drove highly positive double digit ROAS (Return on Advertising Spend) for a major client and grew revenue from this account by 207%.

Beyond the retail sector, P&P has developed another pillar of growth through education clients, which have increased their dependency on virtual open days, virtual school tours and virtual classrooms. P&P's growth in the latter part of FY2021 was supported by collaborations with agency partners to provide their clients with performance marketing solutions, and the Group retains a positive outlook for continued agency work of this type.

Despite opening up after COVID-19 restrictions, with retail stores back in full swing, clients are still focusing closely on tracking growth on their eCommerce channels, supporting demand for P&P's services. Beyond COVID-19 movement restrictions, the Group notes that consistent growth in online purchasing behaviour has persisted.

Mega sales events on marketplaces on key dates including 10.10, 11.11 and 12.12 also boosted P&P's revenue in Q4 FY2021.

Sashimi Continues to Develop and Grow Strongly

The Group's social media agency, Sashimi, continued its strong growth trajectory during FY2021. This business unit achieved revenue of S\$2.48 million in FY2021, +50% YoY from S\$1.65 million in FY2020. The growth reflects continued development of the Sashimi business, headlined by upscaling of its data analytics, story-telling and marketing-tech capabilities.

Sashimi's approximately 50% YoY growth, in both the top and bottom lines, was driven by the strengthening of its core services in social media marketing through more data analysis, more marketing tech, better content production capabilities and new offerings in line with the growing interest in and adoption of the metaverse, including production of social media live streamed mixed reality events and branded AR stickers for Instagram.

Netccentric Executive Chairman, Ganesh Kumar Bangah, said:

"We are pleased to have delivered strong growth in revenue and underlying EBITDA² across our business units in FY2021. This is a reflection of the successful execution of our Group's diversified growth strategies and the sound fundamentals of our business.

"I am pleased to see strong volume growth across our customer base from both anchor and new clients in Nuffnang. In addition, our newer livestream selling business, Nuffnang Live Commerce, has successfully tapped into the booming social commerce industry, as we intended.

"We are looking forward to a successful FY2022, building on our achievements over the past year."

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

² EBITDA adjusted for extraordinary items relating to the issue of share options expenses, forex movements, professional fees relating to evaluation of M&A opportunities and a debt waiver in FY2020



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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 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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