



Netccentric Limited (200612086W)
Listed on the ASX

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ASX RELEASE

2 June 2022

NETCCENTRIC DELIVERS A SOLID QUARTER OF REVENUE AND EARNINGS GROWTH IN Q1 FY2022

HIGHLIGHTS:

- In Q1 FY2022, Netccentric grew Group revenue by 18% compared to the previous corresponding period (PCP) to S\$2.86 million, underpinning growth in Group EBITDA¹ of 225% to S\$79k
- Netccentric's 100%-owned social influencer and content marketing platform, Nuffnang Malaysia, achieved revenue growth of 19% in Q1 FY2022 versus the PCP (total Nuffnang revenue +15% versus the PCP to S\$1.75m), driven by growth with a range of global brands including McDonald's Corporation (NYSE: MCD)
- Nuffnang Lab formed to deliver market research for brands, driving innovation by infusing more data
- Nuffnang Live Commerce continues to deliver growth in gross merchandise volume (GMV), +294% in Q1 FY2022 with transacted orders +202% versus the PCP
- Plata & Punta revenue +34% in Q1 FY2022 versus the PCP, reflecting strengthening of agency partnerships
- Sashimi revenue +12% in Q1 FY2022 versus the PCP, driven by stronger demand for its commercial production and brand story telling services
- Netccentric retains a strong position to drive continued growth both organically and via M&A with a healthy debt-free balance sheet, S\$5.4 million in cash and a proven strategy to deliver end-to-end growth solutions

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 Q1 FY2022.

¹ EBITDA and profit before tax adjusted for extraordinary items relating to the issue of share options expenses, forex movements and professional fees relating to evaluation of M&A opportunities



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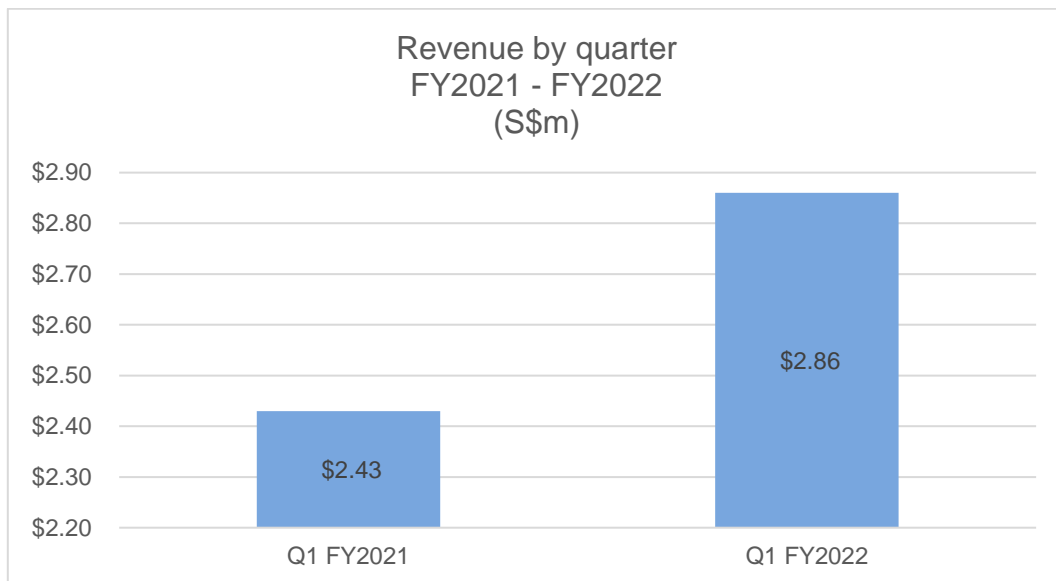
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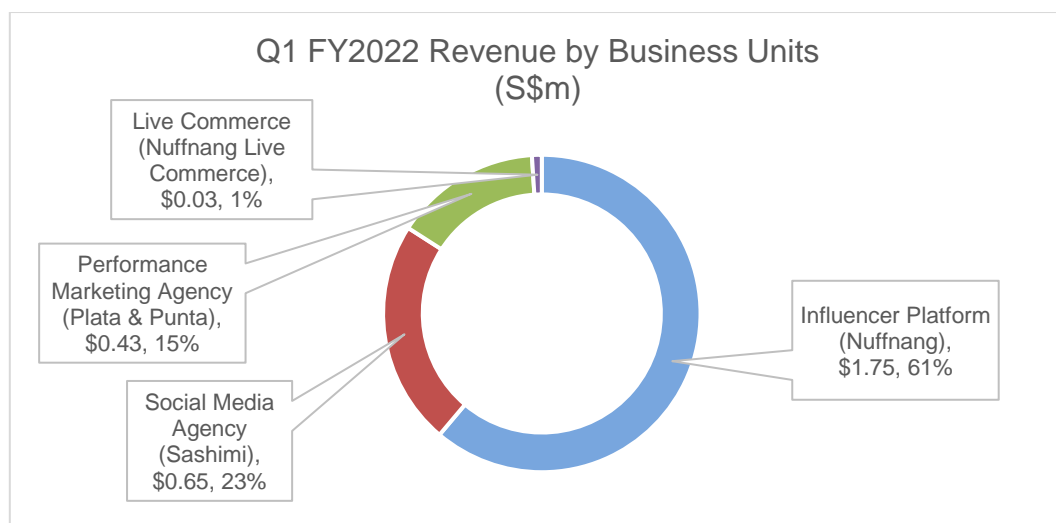
Q1 FY2022 Performance

Netccentric achieved revenue of S\$2.86 million in Q1 FY2022, representing growth of 18% over Q1 FY2021. The growth in revenue was spread across all business units, with Nuffnang Malaysia the key driver of growth across the Group.

Netccentric's profit before tax¹ improved from a S\$27k loss in Q1 FY2021 to a profit of S\$14k in Q1 FY2022. Group EBITDA¹ grew by 225% from S\$24k in Q1 FY2021 to S\$79k in Q1 FY2022.



Financial and Operational Highlights by Business Unit



¹ EBITDA and profit before tax adjusted for extraordinary items relating to the issue of share options expenses, forex movements and professional fees relating to evaluation of M&A opportunities

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Nuffnang Growth Continues, Nuffnang Lab Established to Drive Innovation

Nuffnang, Netccentric's 100%-owned social influencer and content marketing platform, collectively contributed 61% to Group revenue in Q1 FY2022, with Nuffnang Malaysia (NNMY) being the biggest contributor.

NNMY achieved 19% revenue growth in Q1 FY2022 compared to Q1 FY2021, with key clients driving the growth being global consumer brands company Unilever (revenue +42%), food & beverage conglomerate Fraser & Neave (+280%), personal care specialist Wipro Unza (+2,354%) and restaurant chain McDonalds (which was not a client in the same period last year). NNMY continued to strengthen its partnerships with key media agencies in Q1 FY2022, growing revenue from these sources by 29% compared to the previous corresponding period.

In Q1 FY2022, NNMY formed Nuffnang Lab which is now responsible for brand research. As the influencer marketing business matures, clients are demanding more sophisticated solutions. Nuffnang Lab analyses data to empower Nuffnang to provide clients with more effective influencer marketing strategies.

Nuffnang Lab generated its first insights report for Hari Raya, a festival celebrated by the Muslim community. Nuffnang Lab has marketed the findings of this report to more than 100 key contacts among advertising agencies. Nuffnang Lab has subsequently seen growth in requests for proposals, indicating growth in the Group's client's trust in Netccentric's strategy recommendations.

Nuffnang Live Commerce Continues to Deliver Growth for eShoplive

The Nuffnang Live Commerce platform provides a seamless end-to-end livestream shopping experience by navigating viewers from awareness to the purchase stage instantaneously, as viewers can use their devices to immediately purchase promoted products.

Nuffnang Live Commerce's activity levels continued to grow in the March quarter as new and existing clients began to adopt the platform and build understanding of its capabilities.

In Q1 FY2022, Nuffnang Live Commerce transacted a total of 19,268 orders with a gross merchandise value (GMV) of S\$1.99 million. GMV increased by 294% in Q1 FY2022 compared to Q1 FY2021, and transacted orders increased by 202% compared to Q1 FY2021 (19,268 in Q1 FY2022 vs 6,362 in Q1 FY2021).

Nuffnang Live Commerce's technology continues to increase the efficiency of eShoplive's operational and customer journey with eShoplive achieving several milestones in Q1 FY2022. eShoplive achieved record-breaking GMV, hitting S\$0.19 million and increasing GMV by 145% compared to the same period last year when the Netccentric platform was not yet enhancing eShoplive's operations. The automation via Nuffnang Live Commerce's platform has enabled eShoplive to increase its efficiency in operations by 40%.

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Plata & Punta Delivers Strong Growth during COVID-19 Recovery

The Group's performance marketing agency, Plata & Punta, achieved strong growth due to a progressive recovery from COVID-19 leading to a reopening of the economy. Plata & Punta had a 34% increase in revenue in Q1 FY2022 (S\$430k) compared to Q1 FY2021 (S\$321k). The revenue growth can mainly be attributed to the strengthening of agency partnerships and increase in spending from major eCommerce clients. During the March quarter, Plata & Punta welcomed a significant new customer, having agreed a performance marketing deal with Beko, one of Europe's largest home appliance brands.

Sashimi Continues to Upscale Service Delivery and Growth

The Group's social media agency, Sashimi, continued to expand its operations related to brand storytelling, data analysis and marketing technology. The revenue growth of 12% in Q1 FY2022 compared to the previous corresponding period was primarily driven by stronger demand for Sashimi's commercial production services, under its brand story telling department.

Sashimi expects to benefit from continuing growth in demand from Asia-Pacific advertisers looking to tell their brand stories in an interactive and involving way.

Netccentric Executive Chairman, Ganesh Kumar Bangah, said:

"We are pleased to have delivered another quarter of strong revenue growth and underlying earnings, which is spread across our business units. Progress has been made in diversifying our business and revenue base, however, our social influencer and content marketing platform remains a key driver of growth.

"During the March quarter, we established Nuffnang Lab in Malaysia. This is an important part of Netccentric's drive to continuously innovate and improve our services to meet the fast evolving needs our clients.

"Nuffnang Live Commerce continues to deliver strong results for eShoplive and for the influencers and brands engaging in eCommerce sales through this cutting-edge platform. Meanwhile, our performance marketing agency and social media agency have both delivered continuing strong growth in the COVID-19 recovery.

"The sustained growth in profitable revenue that we are achieving across our Group indicates the strength of our diversified model and our strategic initiatives. With S\$5.4 million in cash at bank to fund our growth strategy, these results provide an excellent launch pad for us to continue our ambitious expansion plans across Southeast Asia in the remainder of 2022."

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 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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