



Netccentric Limited (200612086W)
Listed on the ASX

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

www.netccentric.com

ASX RELEASE

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NETCCENTRIC IN JV TO LAUNCH WEB 3.0 NFT CREATOR PLATFORM

HIGHLIGHTS:

- **Netccentric kickstarts its transformation to a Web 3.0 creator platform, entering into a joint venture with RedSquare Technologies to launch NFT Technologies Sdn Bhd (“NFT Tech”)**
- **NFT Tech should place Netccentric at the forefront of the Web 3.0 revolution, empowering brand owners to issue non-fungible tokens (“NFTs”) in collaboration with influencers in a cost-efficient and user-friendly manner**
- **NFTs issued by the platform will provide real-world utility and applications, enabling consumers to earn rewards and enjoy unique experiences with their favourite influencers. For brands, the tokens will provide opportunities to increase revenue, build loyalty and gain access to Web 3.0 analytics**
- **Revenue generation is planned through a two-pronged business model: enterprise managed services and a creator SaaS application**
- **Netccentric will invest RM600k (~AUD200k) in cash into NFT Tech, with RedSquare Technologies to earn its participation as a shareholder through the achievement of staged development milestones. Netccentric will also make available to NFT Tech a shareholders' loan of up to RM400k (~AUD133k)**

Social commerce platform provider Netccentric Limited (ASX: NCL, “Netccentric” or the “Group”) is pleased to advise that the Group has entered into a joint venture (“JV”) to develop and operate a Web 3.0 platform with RedSquare Technologies Sdn Bhd (“RSQ”).

Through this JV, the parties plan to facilitate the development and marketing of non-fungible tokens (“NFTs”) as part of a new suite of Online-to-Offline (O2O) utility applications for brands which leverages the Group’s network of influencers.

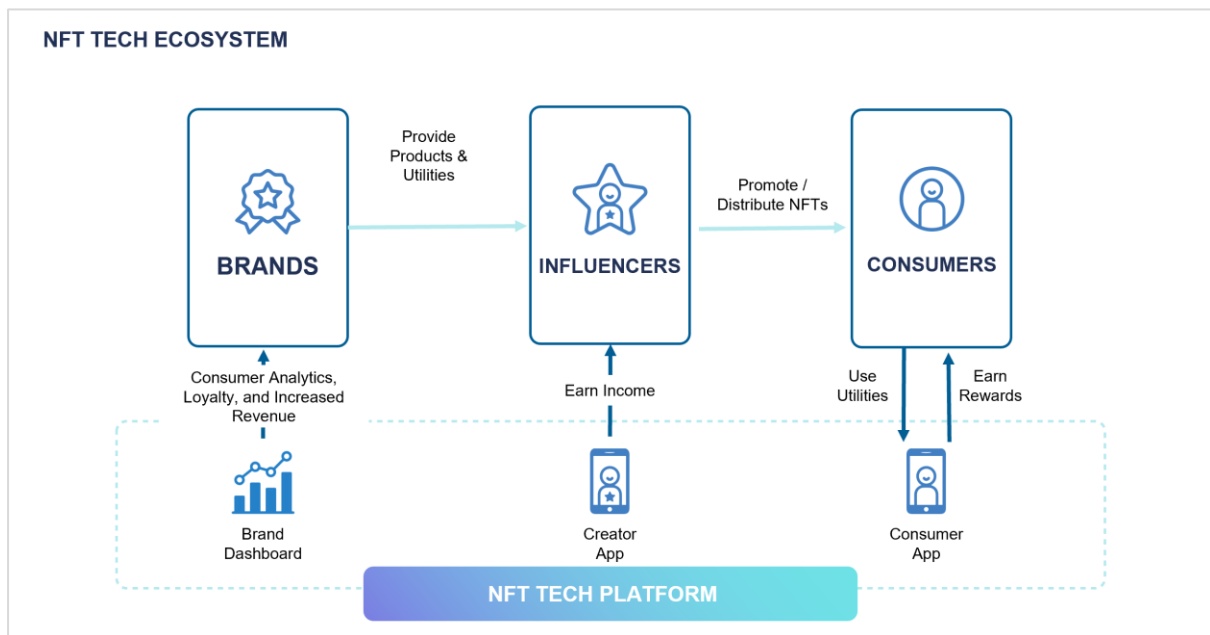
Joint Venture Objective

A new company, NFT Technologies Sdn Bhd (“NFT Tech”), which is currently wholly-owned by Netccentric has been formed for this JV to develop and operate the Web 3.0 platform. NFT Tech’s platform will empower brand owners to issue NFTs in collaboration with influencers in a cost-efficient and user-friendly manner.



The NFTs issued by the platform will provide real-world utility and applications, enabling consumers to earn rewards and enjoy unique experiences with their favourite influencers. For brands, the tokens will provide opportunities to increase revenue, build loyalty and gain access to Web 3.0 analytics.

Influencers in the Group's network will be able to promote and market NFTs minted using NFT Tech to their followers. In return, influencers will be able to earn income linked to their issuance and transactions involving the NFTs.



Business Model

NFT Tech plans to generate revenue through two products/business models:

- Enterprise model:** NFT Tech will consult, develop and assist brand owners to create and manage NFTs in collaboration with influencers. The revenue model will be based on a managed service where NFT Tech will provide design, the software stack and mobile app for users to utilise the NFTs and an influencer marketing mechanism powered by Nuffnang, Netccentric's 100%-owned social influencer and content marketing platform.

This service is aimed at large brands and enterprises. NFT Tech will collect a monthly subscription fee from these brands and a royalty fee each time an NFT is transacted.

- Software As A Service (SaaS) model:** NFT Tech will provide a creator application via software as a service for small-to-medium enterprises (SMEs) and creators. This will be a more affordable offering for lower budget clients. NFT Tech will charge a monthly subscription fee to these SMEs and creators and collect a royalty fee each time an NFT is transacted.



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About RedSquare Technologies Sdn Bhd (“RSQ”)

Founded in 2018, RSQ is a software development company in Malaysia that focuses on helping enterprises and governments to scale people, processes and product through scalable technologies. Its areas of expertise include blockchain, fintech, govtech and media.

Naven Prasad is currently the Chief Executive Officer (“CEO”) and Chief Technology Officer (“CTO”) of RSQ who is supported by Justin Wong, as Chief Operating Officer (“COO”).

Some of RSQ's notable clients include Boost (one of Malaysia's leading eWallet providers with more than 8 million users), Monsta Infinite (a Blockchain Play2Earn game utilising NFTs in monster battles), Malaysia's Ministry of Youth and Sports, and China Press Berhad (Malaysia's leading Chinese media publisher).

Joint Venture Structure

Netccentric will invest RM600k (~AUD200k) in cash into NFT Tech, making the Group the 100% holder of NFT Tech's 600,000 initial shares.

RSQ shall participate as a shareholder in NFT Tech through the injection of assets and intellectual property rights that shall be satisfied through the issuance of NFT Tech shares to RSQ, linked to the achievement of 4 key milestones of which each has been ascribed a value of RM100k (~AUD33k) which will be equivalent to 100,000 ordinary shares in NFT Tech. Further details on the shareholding structure are described in Annexure A.

Netccentric will also make available to NFT Tech a shareholders' loan of up to RM400k (~AUD133k) based on the terms mutually agreed.

NFT Tech will be led by Naven Prasad as CEO and CTO. RSQ's COO, Justin Wong, will join NFT Tech as Chief Product Officer .

The NFT Tech Board of Directors will comprise no more than 5 directors, with Netccentric entitled to appoint up to 3 and RSQ shall be entitled to appoint 2. For as long as Netccentric remains a shareholder of NFT Tech, the Chairman of the Board shall be appointed by Netccentric.

Although the Group is unable to forecast potential revenue associated with this JV, Netccentric views its relationship with RSQ and its development of NFT Tech as strategically significant, advancing towards the goal of exposing the Group's platforms, influencers and clients to as many potential customers as possible.

Netccentric Executive Chairman, Ganesh Kumar Bangah, said:

"We are delighted to launch NFT Tech in partnership with RedSquare Technologies and are excited by the opportunity to develop Netccentric into a Web 3.0 creator platform. We are confident that the experience and capabilities that we have built through Nuffnang and our broader Netccentric ecosystem will position us strongly to generate value for investors, brands and influencers through our development of NFT Tech.

"We are building the infrastructure for digital content ownership on the Internet and apps that make it possible for the layman to use. NFTs in our mind are not only asset class but a technology to help us hit our goal. NFTs on our platform will carry utility, which means they can be exchanged for physical

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goods, services and rewards from well-known brands who are already spending money to attract and retain consumers.

"Our ultimate aspiration is to become as indispensable to digital creators as the design software platform Canva is to designers.

"This joint venture will place Netccentric at the forefront of the Web 3.0 revolution and empower the Group to stand out by providing a unique online-to-offline proposition to our brand clients and influencer network. We chose RSQ to partner with us on this JV based on their product and development expertise, which will complement our existing technology stack while accelerating the roll-out of our Web 3.0 product roadmap.

"We see a strong growth trajectory ahead for well-regulated NFTs that provide safety, security, credibility and a positive user experience. NFT Tech is well-placed to develop and provide this, and we look forward to bringing NFTs with real-world utility to the masses through our uniquely strong and diverse network of influencers."

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 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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Annexure A

NFT Tech Shareholding Structure

Upon achievement of each milestone, the shareholders and shareholding structure of NFT Tech shall be as follows:

Event / Achievement	Party	No. of ordinary shares	Shareholding Percentage (%)
Milestone (A)	NCL	600,000	85.71
	RSQ	100,000	14.29
Milestone (B)	NCL	600,000	75.00
	RSQ	200,000	25.00
Milestone (C)	NCL	600,000	66.67
	RSQ	300,000	33.33
Milestone (D) (Final Shareholding)	NCL	600,000	60.00
	RSQ	400,000	40.00

Failure to achieve Milestone(s)

Both parties have mutually agreed to due date(s) for each of the milestones with the due date for Milestone A to be completed within 30 days from signing of the JV agreement and all remaining milestones to be completed in phases by July 2023.

If the abovementioned milestone(s) are not achieved on or before the mutually agreed due date(s), NCL shall be entitled to propose alternative(s) or replacement(s) to such milestone(s) for RSQ's consideration and agreement ("Replacement Milestone(s)").

If no Replacement Milestone(s) is agreed upon by the parties, RSQ's participation in NFT Tech shall be limited to the numbers of ordinary shares held by RSQ in NFT Tech at the material time.

The maximum number of agreed Replacement Milestones shall be two (2) only. Thereafter, if the last agreed Replacement Milestone is still not achieved on or before the mutually agreed due date, RSQ's participation in NFT Tech shall be limited to the numbers of ordinary shares held by RSQ in NFT Tech at the material time.

As an illustration, in the event Milestone (A), (B) and (C) are achieved on or before the mutually agreed due date(s) but Milestone (D) is unable to be achieved on or before its mutually agreed Due Date and no Replacement Milestone is agreed upon, RSQ's final shareholding shall be limited to 300,000 ordinary shares amounting to 33.33% of the issued and paid-up capital of NFT Tech.