



28th August 2015

## 2015 Half Year Results

### **Solid Traction to Date, Strategic Initiatives In Place Post Listing to Drive Efficiencies, Expansion and Growth**

#### **Highlights**

- Total revenues for the group up 5.5% on 1H 2014 to SG\$5.9 million, with solid growth across influencer platform products; Nuffnang and Churp Churp delivering revenue of SG\$4.8 million, up 17% compared to the previous period
- Underlying loss before income tax of SG\$0.66 million for 1H 2015, led by IPO expenses and increases in employee costs aligned with expansion and investment in product development
- Growth experienced across mature markets, in particular Singapore (up 43%) and growth markets, in particular Thailand and UK (up 47% and 25%, respectively)
- Continued focus on creating operational efficiencies within existing businesses
- Successful IPO post June year end, with AU\$12.5 million capital raised from institutional and sophisticated investors
- Strong balance sheet and cash position to expand into new markets and accelerate revenue growth in existing territories

**Netcentric Limited** (ASX:NCL or 'the Company') is pleased to report the Company's half year results for the year ended 30 June 2015.

#### **ASX Listing**

On 6 July 2015, the Company completed a successful listing on the Australian Securities Exchange, raising AU\$12.5 million in an over subscribed equity raise. The capital raise received strong interest from institutional and retail investors and was corner-stoned by a number of high profile Asian business leaders.

#### **Financial and Operational Results**

Total Group revenues for the six months ended 30 June 2015 amounted to SG\$5.9 million (30 June 2014: SG\$5.6 million), a growth of 5.5% from the previous period. The increase was primarily driven by solid growth in revenue from the Influencer Platform segment. The segment achieved a revenue for the half year ended 30 June 2015 of SG\$4.8 million (30 June 2014: SG\$4.1 million) which contributed 81% of total revenue for the half year ended 30 June 2015 (30 June 2014: 73% of total revenue) which was the key driver for the increase in group revenue for the half year ended 30 June 2015.

The Group's loss before income tax was SG\$0.66 million, due to one-off IPO expenses amounting to SG\$0.95 million which were incurred during the reporting period. The loss was also attributable to an increase in administrative and operating expenses and employee benefits expenses due to group expansion with new hires and focus on product development across various business units. A substantial amount of capital and labour resources were channelled to the IPO process, so as to ensure its success.

Strong growth continued across the Company's key markets including Singapore, achieving revenue growth of 43%. Malaysia experienced a decrease of 13% due to economic conditions towards the end of the 1H 2015 period. Newer markets such as Thailand, Australia and the UK have seen sustained growth of 47%, 25% and 2% respectively.

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The Group's income portfolio has become more diversified and the growth countries (in particular Thailand, UK and Australia) increased their revenue contributions.

### Summary of Results for Half Year Ended 30 June 2015

Business Units	Half year ended 30 June 2015	Half year ended 30 June 2014
Influencer Platform (Nuffnang / Churpchurp)	4,845,911	4,143,076
Display Ad Network (Banner Ads)	365,446	662,542
Digital Asset Production (ReelityTV)	265,190	332,562
Social Media Agency (Sashimi)	450,476	475,758
Others	22,140	23,994
<b>Total (Revenue Excluding Ripplewerkz)</b>	<b>5,949,163</b>	<b>5,637,932</b>
EBIT	(657,513)	810,583

Note: Revenues exclude Ripplewerkz, which was fully acquired upon Netccentric's listing on 6 July 2015

### Strategic Initiatives and Outlook

The Company has already begun implementing a number of strategic initiatives following the successful IPO, including the appointment of a new Regional Business Development Manager to focus on the product and client growth at Ripplewerkz and Reelity, as the business units are rolled out into new regions. Mr Tan Sherwayn brings with him international markets experience and a deep understanding of digital and social media marketing practices.

The leadership team will continue to focus on geographical expansion and mobile app development. The Company's COO, Timothy Tiah will continue to lead the businesses expansion strategy into new markets including Taiwan, Vietnam and Indonesia. CEO, Cheo Ming Shen is leading and executing the development and user acquisition strategy as the Company increases its marketing and sales efforts in the mobile app development business, Dayre (which has already experienced strong demand with a total of over 403,000 downloads to date and over 404,000 active users).

In addition, a number of potential acquisitions and partnerships have been identified and the Company will continue to provide further updates on the progress of these developments during 2H 2015.

### Mr Cheo Ming Shen, CEO of Netccentric Limited commented:

*"The results for the half year reflect solid performance from our core influencer platforms Nuffnang and Churp Churp and I'm pleased with the growth achieved across the majority of both our mature and growth markets.*

*"We are working towards driving further operational efficiencies within the group's businesses alongside implementing our growth initiatives, which are now well underway.*



*"We are committed to investing in the development of new products and services and post the equity raising we are well funded to implement this strategy and drive our expansion internationally and hope to provide further updates in the second half of 2015 calendar year."*

**ENDS**

**For more information please contact:**

**investors@netccentric.com**

**For Media**

Asher Moses  
Director  
Media & Capital Partners  
[asher.moses@mcpartners.com.au](mailto:asher.moses@mcpartners.com.au)  
+61 (0) 438 008 616

**About Netccentric**

Netccentric is a digital media business established in 2006 and operates six businesses in the digital advertising sector across multiple geographies including Singapore, Malaysia, Australia, Philippines, China and the U.K. Netccentric provides advertisers with an innovative platform to connect advertisers with publishers and social influencers to promote their products and services. It's Display Ad Network and Influencer Platform spans over 950,000 blogs making it one of the largest blog advertising networks reaching over 41 million people per month.

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