

25 February 2016

Netccentric 2015 Full Year Results

Ongoing Revenue Growth and a Solid Foundation Established to Drive Growth Initiatives in 2016

- Revenue for FY2015 totalled SGD12.1 million, a 18% increase on FY2014, driven by solid sales of sponsored posts across Influencer platforms Nuffnang and Churp Churp
- Completion of complementary acquisition of Ripplewerkz, a web based production company, and it contributed 6% towards FY2015 revenue
- Improved performance in key Singaporean market, with revenue up 39% on FY2014
- Growth markets of Thailand and the UK continue to show potential, with revenue increases of 18% and 190%, respectively
- Underlying loss before income tax of SG\$1.6 million for FY2015, due to IPO and extraordinary expenses as well as increases in employee and operating costs due to implementation of group expansion initiatives
- Excluding extraordinary costs, EBIT totalled a loss of SGD462K and is expected to decrease as IPO funds are deployed
- Successful IPO in July, raising AUD\$12.5 million, providing the Company with the capital to accelerate organic, geographic and product expansion in 2016

Netccentric Limited (ASX:NCL or 'the Company'), an integrated social media solutions provider, is pleased to report the Company's full year results for the year ended 31 December 2015.

Financial and Operational Results

Total revenue for the twelve-month period ended 31 December 2015 is SGD12.1 million, representing a significant 18% increase on FY2014.

Revenue for the year was driven by solid product sales of sponsored posts, which continued to perform well across the Company's Influencer platforms *Nuffnang* and *Churp Churp*. Sponsored posts sales contributed 38% of total revenue for the period and Churp Churp contributed 28%. The Company also accounted for revenue from Ripplewerkz, its web based production company, which was acquired upon the Company's listing on the ASX in July. During the period, Ripplewerkz generated \$752K in revenue, which contributed 6% towards total revenues.

The Company's core markets of Singapore and Malaysia continued to perform, with the Singaporean market experiencing substantial revenue growth 39% on FY2014. Despite the macroeconomic and forex impact on Netccentric's core market of Malaysia, it still experienced modest growth of 1.3%.

Regionally, core markets accounted for 64% of total revenue, with growth markets accounting for the remaining 36%. Growth markets continued to show potential, in particular, Thailand and the UK, which experienced revenue growth of 18% and 190%, respectively. As the Company continues to expand in existing growth markets and enter new markets it adds further diversification to its income portfolio and lowers any associated currency impacts.

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The underlying loss before income tax was SG\$1.6 million for FY2015. The loss was primarily attributable to IPO expenses and a 64% increase in employee costs and operating expenses due to the implementation of group expansion initiatives. IPO and extraordinary expenses for the period totalled over SGD\$1.2 million.

On a normalised basis, excluding any extraordinary costs, the Company recorded an underlying loss before income tax of SGD462K. As Netccentric continues to deploy its IPO funds throughout 2016 to fuel expansion, EBIT is expected to decrease.

Summary of Results for Full Year Ended 31 December 2015

Business Units	Jan-Dec'15 SGD	Jan-Dec'14 SGD	Growth %
Influencer Platform	8,948,885	6,733,914	+33%
Display Ad Network	755,111	2,288,955	-67%
Digital Asset Production	1,396,919	544,640	+156%
Social Media Agency	970,012	757,000	+28%
Others	73,680	-	-
TOTAL	12,144,607	10,324,509	+18%

Growth Initiatives

During 2015, the management of the Company focused significant resources on establishing a solid and focused growth strategy to expand the business, as well as completing its successful IPO on the Australian Securities Exchange.

With a solid platform for expansion in place, the Company has now begun to implement its focused growth strategy, which is underpinned by three main targets:

- 1) Scaling existing businesses
- 2) New market expansion
- 3) Mobile app growth and development

Scaling Existing Businesses

A number of key hires were made in the regional sales team during the year, putting in place a fully staffed regional team to lead the expansion of business units in existing markets.

In November 2015, Mr Tan Sherwayn was appointed as Business Development Director to lead the completion of the product suite in existing markets. He brings multinational expertise and a wealth of experience within the digital and social media marketing industry.

The Company also appointed Mr Frederick Tang as Regional Sales Manager to lead and develop the Company's sales initiatives. A number of other hires were also made to support the regional team, including a Regional Sales Executive and Regional Core Products Executive.

Significant progress has been made with the launch of Reelity.TV in the Singaporean, Malaysian, Thai and Australian markets in January this year. The product is currently being tested with current and new clients in the region.

New Market Expansion

The Company identified three new geographic markets as initial expansion targets: Taiwan, Indonesia and Vietnam. Significant progress towards entering key target markets of Taiwan and Indonesia has been reported via a signed JV partnership with Prodigee Media Entertainment, South East Asia's award-winning media entertainment company.

The JV facilitates Netccentric's entry into the Taiwanese and Indonesian market through the establishment of a network of celebrity talent and Influencers, ahead of launching the Company's leading blog advertising company, Nuffnang. Prodigee Media has a substantial network of over 4 million subscribers and a proven history of establishing local celebrity talent and Influencers, making them the ideal partner to accelerate Netccentric's entry into targeted regions.

Netccentric is seeking additional opportunities within Vietnam in 2016 and as it progresses with its entrance into new markets its income portfolio will continue to diversify.

Mobile App Growth and Development

In November 2015, Netccentric commenced promotional activities of the Dayre app across new markets, in particular, the US. Significant traction was experienced in the US with a strong community of users being established. Monthly active users grew 29.1% to 521,954 from last reported numbers in August 2015.

During 2016, the Company will continue to enhance the user experience through the on-going development of the app and seek out further marketing channels to drive user acquisition.

Outlook

The implementation of additional resources and an enhanced management team has provided a solid platform for growth. Coupled with its ambitious growth strategy, Netccentric is well positioned to deliver on its growth initiatives in 2016.

The Company will continue its fiscal prudence as it deploys further resources to aid expansion. Product development and new services will be a core focus for the Company's operations team as the business increases its client base across existing markets.

There is a significant market opportunity for Netccentric to take advantage of, within the Asia-Pacific region, and internationally. In APAC alone, the social media advertising spend is estimated to reach US\$12 billion by 2017. This is increased to US\$36 billion globally. (Source: [eMarketer](#))

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Mr Cheo Ming Shen, CEO of Netccentric Limited commented:

“Despite challenging macroeconomic headwinds, the Company’s performance this year has been very encouraging. In 2015, we established a solid platform from which to expand revenue and market share. Moving forward, with the majority of our IPO proceeds intact, the Netccentric Group is well placed to take advantage of marketplace opportunities, and further accelerate growth. We thank all shareholders for their continued support.”

ENDS

For more information please contact:

investors@netccentric.com

For Media

Asher Moses
Director
Media & Capital Partners
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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