

Dear Shareholders,

In the 13 years since the Group's incorporation and 4.5 years since its listing on the Australian Securities Exchange, the Group has weathered many business cycles and ploughed through numerous obstacles along the way. In light of this, we are pleased to announce that the Group has recorded a pre-tax profit of approximately \$0.2 million in H2 2019. Furthermore, for the entire year under review, the pre-tax loss continued to be significantly lower – from S\$0.9 million in FY 2018 to S\$0.1 million in FY 2019 where the losses only occurred in H1 2019. Notably, a non-recurring loss from the disposal of our Thailand, Indonesia and one of our Singapore entities accounted for approximately 39% (S\$0.05 million) of the Group's pre-tax loss.

In FY 2019, the Group generated S\$7.3 million in revenue, a decrease of 17% from FY 2018 (FY 2018: S\$8.8 million). The decline was primarily caused by the disposal of some of our entities, namely Thailand and Indonesia, where they contributed only S\$0.4 million of revenue in FY 2019 as compared to S\$1.4 million in FY 2018. Excluding these disposed entities, Group revenue would reflect a decrease of 7%. The Group witnessed lower sales mainly from our Singapore and Taiwan entities where its total revenue fell by 28% from S\$2.5 million in FY 2018 to S\$1.8 million in FY 2019 as a result of increasing competition and a challenging environment in those markets. On the flip side, we have further strengthened our operations in Malaysia with Malaysia remaining the market leader – contributing 70% (FY 2018: 56%) of the Group's revenue.

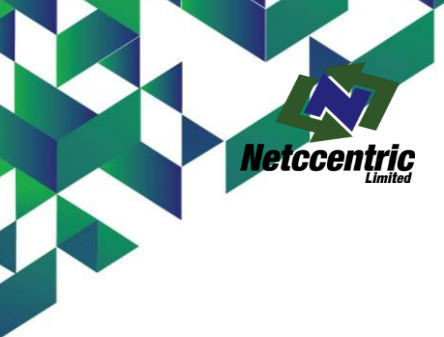
With the rapid growth of influencer marketing in the social media space, competitors have been aggressively competing to gain market share. Despite this competition, the Group's gross profit margin improved from 46% in FY 2018 to 48% in FY 2019 due to long-term strategies we have in place. To ensure that our existing businesses continue to be sustainable and profitable, we focused on optimizing our operations as well as diversifying and innovating our product offerings while keeping costs in check. These were some of the contributing factors that helped the Group to achieve profitability in H2 2019.

Outlook

While we still expect our industry to remain highly competitive, it is imperative that we continuously remain agile in order to respond and react accordingly to market changes which in turn will drive new business opportunities.

We will also continue building a strong base in the form of partnerships and network with current and new clients as well as our community of influencers to not only fortify our existing businesses, but to also explore new business opportunities. Where necessary, a business model transformation will be carried out to strengthen the Group's strategic and financial position.

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On behalf of the Board of Directors, I would like to take this opportunity to express my appreciation and give thanks for your unwavering support and patience over the years.

Onward and upward.

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

A handwritten signature in black ink that reads 'Angeline'.

Angeline Chiam
Interim CEO/Regional Finance Director
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