



Netccentric Limited (200612086W)
Listed on the ASX

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ASX RELEASE

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NETCCENTRIC DELIVERS STRONG FINANCIAL, OPERATIONAL AND STRATEGIC PROGRESS INCLUDING NEW OMNICOM PARTNERSHIP

Highlights

- Netccentric Limited's (ASX: NCL, "Netccentric") 100%-owned Malaysian subsidiary, Nuffnang Sdn. Bhd. ("Nuffnang") delivers year-on-year revenue growth of 71% in Q1 CY2021 (83% of which is recurring in nature)
- Growth has been driven by significant uptick in spend from global brand anchor clients including Procter & Gamble (NYSE: PG), Danone (EPA: BN), KFC (part of Yum Brands (NYSE: YUM)) and Mamee with 150% year-on-year growth in the number of deals won
- Netccentric secures partnership with US\$17 billion¹ global marketing leader Omnicom Media Group (NYSE: OMC, "Omnicom")², whereby Nuffnang will become Omnicom's Preferred Malaysian Influencer Marketing partner
- Development of Nuffnang Campaign Management Platform is now complete, offering unique benefits to clients, influencers and Group staff; API³ integration with Facebook, Instagram and WhatsApp is set to complete in May 2021

Social commerce platform provider Netccentric Limited (or together with its subsidiaries, "the Group") is pleased to advise of strong financial, operational and strategic progress within its Nuffnang business unit in the March quarter of 2021.

Background

Nuffnang is Netccentric's social influencer and content marketing platform. Through Nuffnang, Netccentric provides engagement and ambassadorship opportunities to global brands through its pool of more than 15,000 influencers, key opinion leaders, celebrities and content creators who offer a collective reach to more than 20 million engaged social media followers throughout Southeast Asia.

¹ By market capitalisation

² <https://www.omnicomgroup.com/>
<https://finance.yahoo.com/quote/OMC/>

³ Application Programming Interface



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Nuffnang contributed 43% of Group revenue in CY2020, and as such, represents a core product within Netccentric's comprehensive marketing ecosystem.

Q1 CY2021 Performance

Nuffnang achieved record quarterly revenue of AUD\$1.2 million⁴ in Q1 CY2021, up 71% from Q1 CY2020.

Nuffnang's revenue profile is substantially recurring in nature, with 83% of Q1 CY2021 revenue coming from recurring clients.

The Q1 CY2021 result was driven by:

- Significant growth in spend from anchor clients, including Procter & Gamble (NYSE: PG), Danone (EPA: BN), KFC (part of Yum Brands (NYSE: YUM)) and Mamee
- 150% year-on-year growth in the number of deals won, with 130 deals secured in Q1 CY2021 providing more than double the dollar value of deals won in Q1 CY2020
- An increasing skew towards deals won directly rather than through agencies, led by a new client relationship with dairy product manufacturer Dutch Lady Milk Industries (KLSE: DLADY)

Nuffnang's ability to develop a strong pipeline of influencer marketing work from new and existing clients continues to improve, underpinning the Group's positive outlook for growth in revenue and profitability.

Preferred Partnership with Omnicom

Netccentric is pleased to announce that the Group has secured a preferred partnership with Omnicom Media Group ("Omnicom"), which is part of the Omnicom Group network ("Omnicom Group").

With annual revenue of US\$13 billion and market capitalisation of US\$17 billion, Omnicom Group is a global leader in marketing communications, providing brand and advertising services to over 5,000 clients across more than 100 countries.⁵

Omnicom has appointed Nuffnang as its preferred Malaysian Influencer Marketing partner, whereby Omnicom will effectively outsource to Netccentric the influencer component of its marketing programs with a range of key clients. The partnership will be renewable on a yearly basis upon mutual agreement and shall be subjected to volume discounts to be mutually agreed.

The parties' first step has been to develop and release Malaysia's first-ever 'influencer playbook', designed to provide brand marketers a solid foundation on which to decide their strategic directions and plan influencer marketing initiatives.

Beyond presenting the framework on which brand marketers can build their campaigns, the playbook also showcases some of the best practices and case studies to demonstrate the framework's efficacy. The influencer playbook was launched virtually on the Facebook page of PHD Media, part of Omnicom. Although the partnership does not stipulate minimum volumes and as such Netccentric is unable to forecast its potential revenue impact, the Group views this partnership as strategically significant in light

⁴ Assumes exchange rate of 1 SGD = 0.97 AUD

⁵ <https://www.omnicomgroup.com/>
<https://finance.yahoo.com/quote/OMC/>
<https://www.sec.gov/Archives/edgar/data/29989/000089109221001371/e12700ex99-1.htm>



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of the continued growth of influencer marketing globally, particularly across Asia, and considering Omnicom's large and diverse client book and strong position within the global marketing industry.

This partnership complements Netccentric's existing relationships with IPG Mediabrands, the global media and data arm of Interpublic Group (NYSE: IPG), and with GroupM, media investment subsidiary of WPP plc (LON: WPP). These relationships position Netccentric as preferred partner to both IPG Mediabrands, GroupM and now also Omnicom with relation to influencer marketing.

Platform and Automation Strategy

Netccentric is continuing its drive towards automation as a means of improving both its clients' marketing performance and the long-term profitability of the Group.

Within this program, Netccentric has now completed development of its proprietary Campaign Management Platform. This is a unique first-of-its-kind in the market, linking all three key stakeholders (clients, influencers and internal) on a unified, user-friendly platform. Development of this platform has formed a core part of the Group's automation strategy as Netccentric transforms from a services-focused business to a platform business.

The platform will offer clients a consolidated view of the live performance of all their campaigns with insights including number of likes, comments, audience and other metrics, and provide one place for the Netccentric team to connect influencers and clients rather than dealing with different manual work sheets. Influencers will gain a personalised platform offering draft submission, feedback, historical data and cash-out functions.

The Group plans to complete API integration of the Campaign Management Platform with Facebook products (Facebook, Instagram, WhatsApp) in May 2021.

Netccentric Executive Chairman, Ganesh Kumar Bangah, said:

"The rapid growth in revenue and deal pipeline that we are achieving through Nuffnang indicates the strength of our diversified model and strategic initiatives. We look forward to working closely with our new partner Omnicom to deliver mutual benefits for clients and investors as we continue to lead the conversation on strategic influencer marketing planning in Southeast Asia."

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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